



MELTON CITY COUNCIL

Notice is hereby given that the Meeting of the Melton City Council will be held in the Council Chambers, Melton Civic Centre, 232 High Street Melton on 16 September 2024 at 7:00pm.

THIS AGENDA CONTAINS REPORTS TO BE DEALT WITH AT A CLOSED MEETING OF COUNCIL

Roslyn Wai
CHIEF EXECUTIVE

Visitors to the Gallery please note:

Proceedings at Council meetings are controlled by the Chairperson. The Chairperson is empowered to enforce the provision of Council's Governance Rules, which includes the following aspects:

- Members of the public do not have a right to address Council and may only do so with the consent of the Chair or by prior arrangement.
- Any member of the public addressing Council must extend due courtesy and respect to Council and the processes under which it operates and must take direction from the Chair whenever called on to do so.
- A member of the public present at a Council meeting must not disrupt the meeting.
- The Chair may order and cause the removal of any person, other than a Councillor, who disrupts any meeting or fails to comply with a direction given under sub-Rule 79.2.
- If the Chair is of the opinion that disorder at the Council table or in the gallery makes it desirable to adjourn the Council meeting, he or she may adjourn the meeting to a later time on the same day or to some later day as he or she thinks proper.
- The Chair may ask the Chief Executive Officer or a member of the Victoria Police to remove from the Chamber any person who acts in breach of the Governance Rules and whom the Chair has ordered to be removed from the gallery under Rule 80.
- Members of the public in the gallery must not operate **recording equipment** at a Council or Committee Meeting without the prior written consent of Council.
- **Question time** is available at every Scheduled Meeting to enable members of the public to address questions to Council. All questions must be received by the Chief Executive Officer or other person nominated for this purpose no later than 10am on the day of the Scheduled Meeting by submitting questions into the receptacle designated for public questions at the Customer Service Desk, or via electronic medium as per Council website directions.

A person must not submit more than two (2) individual questions at a meeting, inclusive of all parts and variants as interpreted by the Chairperson or other person authorised for this purpose by the Chairperson.

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1. **OPENING PRAYER AND RECONCILIATION STATEMENT**

The Chairperson will read the opening prayer and reconciliation statement.

Prayer

‘Almighty God we humbly beseech Thee to vouchsafe Thy blessing upon this Council, direct and prosper its deliberations to the advancement of Thy glory and the welfare of the people whom we serve – Amen.’

Reconciliation Statement

Melton City Council acknowledges that the land it now occupies has a history that began with the Indigenous occupants, the Kulin Nation. Council pays its respects to the Kulin Nation people and their Elders and descendants past and present.

2. APOLOGIES AND LEAVE OF ABSENCE

The Chairperson will call for any apologies received from any Councillors who are unable to attend this meeting.

3. CHANGES TO THE ORDER OF BUSINESS

4. DEPUTATIONS

5. DECLARATION OF ANY PECUNIARY INTEREST, OTHER INTEREST OR CONFLICT OF INTEREST OF ANY COUNCILLOR

Pursuant to Part 6, Division 2 of the *Local Government Act 2020* and Council's Governance Rules, Councillors must declare any General Conflict of Interest or Material Conflict of Interest they have in any of the matters being considered at this meeting.

6. ADOPTION AND CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

RECOMMENDATION:

That the Minutes of the Meeting of Council held on 26 August 2024 be confirmed as a true and correct record.

7. SUMMARY OF INFORMAL MEETING OF COUNCILLORS

7.1 SUMMARY OF INFORMAL MEETINGS OF COUNCILLORS

- Monday 12 August 2024 Summary of Informal Meeting of Councillors
- Monday 26 August 2024 Summary of Informal Meeting of Councillors

RECOMMENDATION:

That the Summaries of Informal Meetings of Councillors dated 12 August 2024 and 26 August 2024 provided as **Appendices 1 and 2** respectively to this report, be received and noted.

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1. Summary of Informal Meeting of Councillors - 12 August 2024
2. Summary of Informal Meeting of Councillors - 26 August 2024



INFORMAL MEETING OF COUNCILLORS

Chapter 6, Rule 1 of the Governance Rules 2020

MEETING DETAILS:

Meeting Name:	Briefing of Councillors																										
Meeting Date:	Monday 12 August 2024	Time Opened:	6.23 pm	Time Closed:	10.17 pm																						
Councillors present:	Cr K Majdlik (Mayor) Cr S Abboushi (Deputy Mayor) (departed 9.26pm) Cr L Carli (joined online at 6.39pm and departed 9.59pm) Cr G Kesic (online) departed 10.01pm Cr S Ramsey Cr J Shannon Cr B Turner																										
Officers present:	<table border="0"> <tr> <td>R Wai</td> <td>Chief Executive Officer</td> </tr> <tr> <td>S Romaszko</td> <td>Director City Futures</td> </tr> <tr> <td>T Scoble</td> <td>Director City Life</td> </tr> <tr> <td>N Whiteside</td> <td>Director City Delivery</td> </tr> <tr> <td>P Leersen</td> <td>Director Organisational Performance (CFO)</td> </tr> <tr> <td>R Hodgson</td> <td>Acting Head of Governance</td> </tr> <tr> <td>T Conway</td> <td>Manager City Strategy (departed after Item 4)</td> </tr> <tr> <td>D Blandford</td> <td>Manager Operations (departed after Item 2)</td> </tr> <tr> <td>C Marshall</td> <td>Manager Engineering and Assets (Item 3)</td> </tr> <tr> <td>M Hutchinson</td> <td>Design and Investigations Coordinator (Item 3)</td> </tr> <tr> <td>M Merritt</td> <td>Acting Manager City Growth & Development (Part of Item 6)</td> </tr> </table>					R Wai	Chief Executive Officer	S Romaszko	Director City Futures	T Scoble	Director City Life	N Whiteside	Director City Delivery	P Leersen	Director Organisational Performance (CFO)	R Hodgson	Acting Head of Governance	T Conway	Manager City Strategy (departed after Item 4)	D Blandford	Manager Operations (departed after Item 2)	C Marshall	Manager Engineering and Assets (Item 3)	M Hutchinson	Design and Investigations Coordinator (Item 3)	M Merritt	Acting Manager City Growth & Development (Part of Item 6)
R Wai	Chief Executive Officer																										
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M Hutchinson	Design and Investigations Coordinator (Item 3)																										
M Merritt	Acting Manager City Growth & Development (Part of Item 6)																										
Guests	Jarrah O'Shea, Associate RMG Consulting (Item 5)																										
Apologies	Cr J Farrugia (On Leave) Cr A Vandenberg																										
Matters discussed:	<ol style="list-style-type: none"> 1. Review of Hard Waste and Dumped Rubbish Service 2. Response to Notice of Motion 913 (Cr Abboushi) Adopt-A-Park Program 3. Exford and Greigs Road Improvement Projects 4. Draft Plan for Victoria Submission 5. Rate Affordability Concept- Safety Net Rebate 6. Draft Reports – Councillor questions and clarity 7. General Updates from Officers 8. CEO Performance Process Meeting Minutes 																										

CONFLICT OF INTEREST DISCLOSURES:

Were there any conflict of interest disclosures by Councillors?	Yes	
Matter No.	Councillor making disclosure	Councillor left meeting
Draft Report - Provision of Land for Active Open Space	Cr Majdlik	Yes

REPORT PRODUCED BY:

Officer name:	Renee Hodgson – Acting Head of Governance	Date:	Monday 12 August 2024
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INFORMAL MEETING OF COUNCILLORS

MEETING DETAILS:

Meeting Name:	Briefing of Councillors		
Meeting Date:	Monday 26 August 2024	Time Opened:	6.22pm
		Time Closed:	6.55pm
Councillors present:	Cr K Majdlik (Mayor) Cr S Abboushi (Deputy Mayor) Cr L Carli (arrived at 6.30pm) Cr G Kesic Cr S Ramsey Cr J Shannon Cr B Turner Cr A Vandenberg (arrived at 6.45pm)		
Officers present:	R Wai Chief Executive Officer T Scoble Director City Life P Leersen Director Organisational Performance (CFO) S Romaszko Director City Futures N Whiteside Director City Delivery R Hodgson Acting Head of Governance B Bensley Acting Senior Governance Coordinator		
Guests	Nil		
Apologies	Cr J Farrugia (Leave of Absence)		
Matters discussed:	1. Council Meeting Agenda 2. General update from Officers		

CONFLICT OF INTEREST DISCLOSURES:

Were there any conflict of interest disclosures by Councillors		Yes
Matter No.	Councillor making disclosure	Councillor left meeting
12.1	Cr A Vandenberg	Yes
17.8	Cr K Majdlik	Yes

REPORT PRODUCED BY:

Officer name:	Bernadette Bensley Acting Senior Coordinator Governance	Date:	27 August 2024
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8. CORRESPONDENCE INWARD

8.1 PARLIAMENTARIAN AND DEPARTMENTAL LETTERS RECEIVED BY THE MAYOR

- Gabrielle Williams MP, Minister for Public and Active Transport – Response to car parking at Cobblebank, Rockbank and Caroline Springs stations.
- Anne Congleton, Acting Deputy Secretary Disability, Fairness and Emergency Management – Response to Final Report of the Royal Commission into the Violence, Abuse, Neglect and Exploitation of people with a Disability.

RECOMMENDATION:

That Council receive and note the following Parliamentarian and Departmental letters received by the Mayor, provided as **Appendix 1-2** to this report:

1. Gabrielle Williams MP, Minister for Public and Active Transport – Response to car parking at Cobblebank, Rockbank and Caroline Springs stations.
2. Anne Congleton, Acting Deputy Secretary Disability, Fairness and Emergency Management – Response to Final Report of the Royal Commission into the Violence, Abuse, Neglect and Exploitation of people with a Disability.

LIST OF APPENDICES

1. Gabrielle Williams MP, Minister for Public and Active Transport – dated 4 September 2024
2. Anne Congleton, Acting Deputy Secretary Disability, Fairness and Emergency Management dated 9 September 2024



Gabrielle Williams MP

Minister for Government Services
Minister for Consumer Affairs
Minister for Public and Active Transport

1 Treasury Place
East Melbourne, Victoria 3002
Australia

Ref: CMIN-1-24-4697

Cr Kathy Majdlik
Mayor
City of Melton
PO Box 21
MELTON VIC 3337
kathym@melton.vic.gov.au

Dear Cr Majdlik,

I refer to your letter to the Hon Danny Pearson MP, Minister for Transport Infrastructure, regarding car parking at Cobblebank, Rockbank and Caroline Springs stations, and bus services in the growth areas within the City of Melton. Your letter has been referred to me as the Minister for Public and Active Transport.

I acknowledge your concerns regarding access to public transport within the municipality, one of the fastest-growing areas in Australia.

The Allan Labor Government is focused on improving public transport infrastructure and services in the City of Melton and across our state. By 2026, Melton will be free of boom gates with the removal of four level crossings, through our \$650 million Melton Line Upgrade. New rail bridges will take trains over Coburns and Exford Roads and new road bridges will be built over Ferris Road, and Hopkins Road in Truganina. Melton Station will be rebuilt into a new, modern station with four platforms to cater for one of the fastest-growing communities in Australia, paving the way for future improvements and increased capacity on the line.

In 2019, Cobblebank and Rockbank Stations were each rebuilt with an accessible pedestrian overpass, more car parking spaces (190 at Cobblebank, 350 at Rockbank), drop-off zones, taxi spaces, bus bays, secure bicycle storage and a bus interchange at Cobblebank. A further 80 parking spaces were delivered at Cobblebank in 2022.

In 2022, we delivered 400 new and upgraded car parking spaces at Caroline Springs Station and 100 new and upgraded spaces at Melton Station. Both projects provided improved CCTV and lighting, as well as more bicycle parking facilities.

While there are no current plans to further expand these car parks, your community's feedback will help to inform DTP's future planning on this part of our network.

Buses are a vital part of Victoria's integrated transport system, and this government recognises the important role buses play in meeting the travel needs of people living in Melbourne's growing suburbs. There are around 400 regular bus routes servicing metropolitan Melbourne, and local bus networks operating in regional towns and cities.



In June 2021, the Department of Transport and Planning released Victoria's Bus Plan, which sets out how we will continue to deliver a modern, productive, environmentally sustainable bus network that increases the number of people choosing to take the bus by delivering simple, safe, reliable, and comfortable journeys. It notes important opportunities for the bus network including leveraging connectivity with the rail network and making the most of investment in infrastructure.

Over the past decade, nearly 20,000 bus services have been added to Victoria's bus network. Since the launch of Victoria's Bus Plan in 2021, more than 200 bus routes have either been improved or added, resulting in thousands of additional services to the network.

This includes the new Route 475 service, which commenced in March 2024 and runs between Sunbury and Diggers Rest stations. This new service improves bus coverage, connecting new estates to the bus network, providing easy access to local employment and shopping centres, as well as providing Diggers Rest residents better access to Sunbury Downs College which is their zoned secondary school.

Recently, the 2024-25 State Budget provided funding to continue operating the Melton South FlexiRide. This service provides public transport access to areas in Melton South, Weir Views, and Thornhill Park, enabling passengers to book a trip from anywhere within the service area either to or from Cobblebank Station, Melton Bus Interchange, Melton Station, Woodgrove Shopping Centre, and multiple stops within the education precinct.

In addition, the planning and delivery of a new route between Eynesbury and Melton Station, and new network of school buses for Mt Atkinson is underway. More information about these services, and other bus planning initiatives will become available closer to the commencement date.

Finally, the 2023-24 Growth Areas Infrastructure Contribution (GAIC) funding round has allocated over \$15.9 million to support active transport in Melton. This includes a new shared user path between Grand Boulevard and Sheahan Road and widening of Hopkins Road in Rockbank; a new shared user path on Ferris Road in Melton; and new active transport connections along Vineyard Road to provide greater access to Diggers Rest Station.

Our public transport planning is not static, and is continuously adjusting to the needs of the network – we will continue to monitor the need for services, and make adjustments accordingly.

I hope this information is of assistance. Thank you again for raising this matter.

Sincerely,



Gabrielle Williams MP
Minister for Government Services
Minister for Consumer Affairs
Minister for Public and Active Transport

4.9.2024





Department of Families, Fairness and Housing

50 Lonsdale Street
Melbourne Victoria 3000
Telephone: 1300 475 170
GPO Box 1774
Melbourne Victoria 3001
www.dffh.vic.gov.au
DX 210319

BAC-CO-48860

Cr Kathy Majdlik
Mayor
Cambridge Ward Councillor
City of Melton
PO Box 21
MELTON VIC 3337
kathy.majdik@melton.vic.gov.au

Dear Cr Majdlik

I refer to your letter of 2 August 2024 addressed to the Premier, the Hon Jacinta Allan MP and the Minister for Disability, the Hon Lizzie Blandthorn MP regarding the implementation of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) recommendations. The Minister for Disability has asked me to respond on her behalf.

In responding to the Disability Royal Commission on 31 July 2024, the Victorian Government carefully considered the Disability Royal Commission's recommendations. Of the 130 recommendations within our remit, the Victorian Government accepted the majority of the recommendations in full, in principle or in part. Some recommendations will need to be considered further.

The Victorian Government acknowledges Victorians with disability who advocated for the establishment of the Disability Royal Commission and those who generously shared their experiences with the Commission throughout the inquiry.

The Commonwealth Government and all state and territory governments also released a response to the 85 joint recommendations on the same day. Victoria's response builds on this joint response.

The release of Victoria's response marks the commencement of our next phase of our work to plan for and implement the recommendations. We will engage with people with disability and services to do this. This will include identifying opportunities for co-design.

The Victorian Government welcomes the opportunity to work with people with disability, the disability community and all governments throughout the implementation phase. We know that working closely with people with disability and the disability community is essential to delivering high quality outcomes and transformative change. We will also work closely with the Commonwealth Government and other states and territories to implement the 85 joint recommendations.



The Victorian Government is committed to transparent and robust reporting on the 130 recommendations within its remit. This includes providing bi-annual reporting on the implementation of the recommendations to the Disability Reform Ministerial Council, as the key mechanism for overseeing the implementation of the recommendations. We will also report annually to National Cabinet.

We will consider the recommendations of the NDIS Review as part of our implementation efforts to support a coordinated approach to disability reform. The Victorian Government is working with the Commonwealth and other states and territories to develop a response to the NDIS Review by the end of this year. We will also continue to implement *Inclusive Victoria: state disability plan 2022–2026* and to improve outcomes for Victorians with disability.

Should you wish to discuss this matter further, please contact Carley Northcott, Executive Director, Disability Reform and Complex Needs, at the Department of Families, Fairness and Housing on 0400 512 331 or carley.northcott@dffh.vic.gov.au.

I trust this information is of assistance.

Yours sincerely



Anne Congleton
Acting Deputy Secretary
Disability, Fairness and Emergency Management

9 / 09 / 2024

9. PETITIONS AND JOINT LETTERS

The Chief Executive will table any petitions and/or joint letters received prior to this meeting that meet the requirements of Council's Governance Rules.

10. RESUMPTION OF DEBATE OR OTHER BUSINESS CARRIED OVER FROM A PREVIOUS MEETING

Nil.

11. PUBLIC QUESTION TIME

12. PRESENTATION OF STAFF REPORTS

12.1 ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE STATEMENT 30 JUNE 2024

Author: Natalie Marino - Manager Finance

Presenter: Peter Leersen - Director Organisational Performance

PURPOSE OF REPORT

To present to Council for approval in principle the Annual Financial Statements and Performance Statement for 30 June 2024, prior to reports being submitted to Council's Auditor, in accordance with section 99(2) and 99(3) of the *Local Government Act 2020*.

RECOMMENDATION:

That Council:

1. Approve, in principle, the Annual Financial Statements and Performance Statement for 30 June 2024 at **Appendix 1 and Appendix 2**.
2. Authorise the Mayor, Cr Kathy Majdlik, Deputy Mayor, Cr Steven Abboushi and Chief Executive Officer, Roslyn Wai to approve the Statements in their final form after any changes recommended, or agreed, by the Auditor have been made, pursuant to sections 99(2) and 99(3) of the *Local Government Act 2020*.

REPORT

1. Executive Summary

Each year, individual local governments across Victoria are required to present a set of audited financial statements and performance statements to their Council and community.

The financial statements contain information on the financial performance, financial position, and cash flows of Council for the financial year ended 30 June 2024. The format of the financial statements is standard across all Victorian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators. The performance statement measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2014*.

The Audit and Risk Committee meeting on 12 September 2024 discussed and reviewed the Annual Financial Statements and Performance Statement for the year ended 30 June 2024. The Audit and Risk Committee has recommended that Council approve the statements prior to them being submitted to the Auditor, as required under the *Local Government Act 2020* ('the Act').

There were no adverse audit findings in relation to the 2023/24 financial statements and performance statement.

Council remains in a sustainable financial position to meet the challenges and infrastructure requirements of a growth Council with a strong balance sheet and financial performance in 2023/24.

2. Background/Issues

For the purposes of sections 99(2) and 99(3) of the Act, Council must not submit the Annual Financial Statements and Performance Statement to the auditor unless it has passed a resolution giving its approval in principle to the Statements. The Council must authorise two Councillors to certify the Statements in their final form after any changes are recommended, or agreed to, by the Auditor. The auditor provides audit reports which gives an opinion on whether the statements present fairly the Council's financial performance, position and other indicators.

In accordance with section 99(1) of the Act, Council must submit the Statements to the Minister as soon as practical after the end of the financial year.

The financial statements and performance statement are publicly available documents and are used by (but not limited to) Councillors, residents and ratepayers, employees, suppliers, contractors, customers, Local Government Victoria, state and federal governments, and financiers including banks and other financial institutions.

Council's 30 June 2024 Financial Result

Council's adjusted operating result as at 30 June 2024 was a surplus of \$10.3 million compared to a budget of \$24.4 million which is unfavourable to budget. The adjusted operating result removes all asset revaluation movements, developer contributions and capital grant revenue items relating to the growth of the region which better reflects the underlying financial performance of Council.

This unfavourable variance is largely attributable to lower than anticipated operating grant income which is a result of the timing of recognition, lower user fees income and an increase in material and services expenditure. These unfavourable variances are partially offset by an increase in investment income and savings in employee costs.

As one of Australia's fastest growing regions, significant developer contributions and capital grants will continue. When you include these developer transactions and asset revaluations, Council's overall comprehensive result is a surplus of \$466.6 million which is largely attributable to \$278.9 million in contributed monetary and non-monetary assets from developers that are restricted to future capital infrastructure in the region, and a revaluation increment of Council's existing assets by \$168.6 million.

Council has a total of \$579.4 million in cash and term deposits at year end. The majority of this money must be used for future capital infrastructure projects within respective development areas like childcare centres, ovals, parks, open spaces, and roads with the remaining attributable to operating expenditure. In many instances these funds fall short of the full cost delivery of the infrastructure needed with Council funding the difference.

3. Council and Wellbeing Plan Reference and Policy Reference

The Melton City Council 2021-2025 Council and Wellbeing Plan references:

6. A high performing organisation that demonstrates civic leadership and organisational excellence

6.3 An organisation that demonstrates excellence in civic leadership and governance.

4. Financial Considerations

Financial considerations are contained in the respective reports listed as appendices.

5. Consultation/Public Submissions

There is no requirement for public consultation in relation to the Annual Financial Statements and Performance Statement 30 June 2024. The Audit and Risk Committee has recommended that Council approve the statements prior to them being submitted to the Auditor, as required under the *Local Government Act 2020*.

6. Risk Analysis

Presentation and certification of the Annual Financial Statements and Performance Statement for 30 June 2024 will ensure Council's continued compliance with the legislative requirements and ensure transparency with regards to its financial position and performance.

7. Options

Council has the option to reject the Officer's recommendations, however this would put Council's ability to meet statutory obligations at risk.

LIST OF APPENDICES

1. Financial Statements 2023/24
2. Performance Statement 2023/24

Melton City Council

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2024

A vibrant, safe and liveable City accessible to all



Melton City Council

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

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Melton City Council

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

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These financial statements are General Purpose Financial Statements and cover the consolidated operations for Melton City Council.

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 16 September 2024. Council has the power to amend and reissue these financial statements.

Melton City Council

2023/2024 Financial Report

Annual Financial Reportfor the year ended 30 June 2024

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Peter Leersen**Responsible Accounting Officer****Dated:** 16 September 2024

232 High Street, Melton VIC

In our opinion, the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Cr Kathy Majdlik**Mayor****Dated:** 16 September 2024

232 High Street, Melton VIC

Cr Steve Abboushi**Deputy Mayor****Dated:** 16 September 2024

232 High Street, Melton VIC

Roslyn Wai**Chief Executive Officer****Dated:** 16 September 2024

232 High Street, Melton VIC

Melton City Council

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

Victorian Auditor-General's Office Report

Insert VAGO Report here

Melton City Council

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

Melton City Council

2023/2024 Financial Report

Comprehensive Income Statement

for the year ended 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Income / Revenue			
Rates and charges	3.1	177,031	162,701
Statutory fees and fines	3.2	14,871	12,753
User fees	3.3	10,404	11,196
Grants - operating	3.4	25,896	46,321
Grants - capital	3.4	10,513	13,865
Contributions - monetary	3.5	32,876	79,668
Contributions - non monetary	3.5	246,042	304,619
Net gain on disposal of property, infrastructure, plant and equipment		–	1,274
Fair value increment for investment properties		975	100
Interest Income	3.7	29,463	17,295
Other income		8,941	4,120
Total income / revenue		557,012	653,912
Expenses			
Employee costs	4.1	72,049	66,825
Materials and services	4.2	122,668	111,428
Depreciation	4.3	56,203	49,757
Amortisation - Intangible assets		327	327
Depreciation - Right of use assets		354	521
Allowance for impairment losses		2,678	2,090
Borrowing costs		197	283
Finance Costs - Leases		20	20
Net loss on disposal of property, infrastructure, plant and equipment		2,756	–
Revaluation decrement of IPP&E	6.2	4,418	–
Other expenses		1,827	–
Total expenses		263,497	231,251
Surplus/(deficit) for the year		293,515	422,661
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	173,053	375,888
Total other comprehensive income		173,053	375,888
Total comprehensive result		466,568	798,549

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Melton City Council

2023/2024 Financial Report

Balance Sheet

as at 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	18,771	23,401
Non-current assets classified as "held for sale"	6.1	230	78
Trade and other receivables	5.1	64,139	59,704
Prepayments		302	461
Other financial assets	5.1	236,000	309,000
Inventories		5	12
Contract assets	5.1	15,512	26,388
Total current assets		334,959	419,044
Non-current assets			
Other financial assets	5.1	324,673	239,000
Inventories		10	16
Property, infrastructure, plant and equipment	6.2	4,219,875	3,753,385
Investment property		9,525	8,550
Intangible assets		2,775	2,050
Right-of-use assets		608	482
Total non-current assets		4,557,466	4,003,483
Total assets		4,892,425	4,422,527
Liabilities			
Current liabilities			
Trade and other payables	5.2	53,886	51,187
Trust funds and deposits	5.2	10,372	14,281
Contract and other liabilities	5.2	17,205	25,664
Provisions	5.3	15,324	13,608
Interest-bearing liabilities		2,240	2,607
Lease liabilities		262	283
Total current liabilities		99,289	107,630
Non-current liabilities			
Trust funds and deposits	5.2	37,230	23,789
Provisions	5.3	2,116	1,795
Interest-bearing liabilities		922	3,163
Lease liabilities		387	237
Total non-current liabilities		40,655	28,984
Total liabilities		139,944	136,614
Net assets		4,752,481	4,285,913
Equity			
Accumulated surplus		2,605,020	2,343,662
Reserves	9.1	2,147,461	1,942,251
Total Equity		4,752,481	4,285,913

The above balance sheet should be read in conjunction with the accompanying notes.

Melton City Council

2023/2024 Financial Report

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2024					
Balance at beginning of the financial year		4,285,913	2,343,662	1,462,758	479,493
Surplus/(deficit) for the year		293,515	293,515	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)		173,053	–	173,053	–
Other comprehensive income		173,053	–	173,053	–
Total comprehensive income		466,568	293,515	173,053	–
Transfers to other reserves	9.1	–	121,870	–	(121,870)
Transfers from other reserves	9.1	–	(154,027)	–	154,027
Balance at end of the financial year		4,752,481	2,605,020	1,635,811	511,650
2023					
Balance at beginning of the financial year		3,487,364	1,989,825	1,086,870	410,669
Surplus/(deficit) for the year		422,661	422,661	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)		375,888	–	375,888	–
Other comprehensive income		375,888	–	375,888	–
Total comprehensive income		798,549	422,661	375,888	–
Transfers to other reserves	9.1	–	81,126	–	(81,126)
Transfers from other reserves	9.1	–	(149,950)	–	149,950
Balance at end of the financial year		4,285,913	2,343,662	1,462,758	479,493

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Melton City Council

2023/2024 Financial Report

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$ '000	2023 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		168,075	156,528
Statutory fees and fines		11,318	12,528
User fees		12,274	10,939
Grants - operating		18,417	46,785
Grants - capital		7,663	13,666
Contributions - monetary		32,876	79,668
Interest received		19,336	17,295
Trust funds and deposits taken		9,532	(1,544)
Other receipts		37,962	(25,589)
Net GST refund/(payment)		23,168	21,342
Employee costs		(70,012)	(65,657)
Materials and services		(150,733)	(108,841)
Other payments		3,319	(24,398)
Net cash provided by/(used in) operating activities	9.2	<u>123,195</u>	<u>132,722</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(114,943)	(58,675)
Proceeds from sale of property, infrastructure, plant and equipment		5,110	12,865
Payments for investments, other properties and intangibles		(14,816)	(77,413)
Net cash provided by/(used in) investing activities		<u>(124,649)</u>	<u>(123,223)</u>
Cash flows from financing activities			
Finance costs		(197)	(283)
Repayment of borrowings		(2,608)	(2,502)
Interest paid - lease liabilities		(20)	(20)
Repayment of lease liabilities		(351)	(497)
Net cash flow provided by/(used in) financing activities		<u>(3,176)</u>	<u>(3,302)</u>
Net Increase (decrease) in cash and cash equivalents		<u>(4,630)</u>	<u>6,197</u>
Cash and cash equivalents at the beginning of the financial year		23,401	17,204
Cash and cash equivalents at the end of the financial year		<u>18,771</u>	<u>23,401</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Melton City Council

2023/2024 Financial Report

Statement of Capital Works

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Property		
Land	3,510	–
Total land	<u>3,510</u>	<u>–</u>
Buildings	36,415	26,898
Total buildings	<u>36,415</u>	<u>26,898</u>
Total property	<u>39,925</u>	<u>26,898</u>
Plant and equipment		
Plant, machinery and equipment	28	–
Fixtures, fittings and furniture	74	72
Computers and telecommunications	674	299
Library books	526	498
Total plant and equipment	<u>1,302</u>	<u>869</u>
Infrastructure		
Roads	49,828	17,720
Bridges	902	659
Footpaths and cycleways	3,764	2,020
Drainage	1,703	410
Recreational, leisure and community facilities	14,705	2,398
Off street car parks	568	2,845
Public Art	81	–
Kerb & Channel	353	146
Traffic Management Devices	1,549	914
Other infrastructure	36	453
Total infrastructure	<u>73,489</u>	<u>27,565</u>
Total capital works expenditure	<u>114,716</u>	<u>55,332</u>
Represented by:		
New asset expenditure	58,886	29,061
Asset renewal expenditure	17,489	11,621
Asset expansion expenditure	4,250	8,598
Asset upgrade expenditure	34,091	6,052
Total capital works expenditure	<u>114,716</u>	<u>55,332</u>

The above statement of capital works should be read in conjunction with the accompanying notes.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview

Introduction

The Melton City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

The Council's main office is located at 232 High Street, Melton.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2).
- the determination of employee provisions (refer to Note 5.3).
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3.4)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value.
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview (continued)

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income / Revenue and expenditure					
Income / Revenue					
Rates and charges	178,729	177,031	(1,698)	(0.95)%	1
Statutory fees and fines	13,563	14,871	1,308	9.64%	2
User fees	12,792	10,404	(2,388)	(18.67)%	3
Grants - operating	34,680	25,896	(8,784)	(25.33)%	4
Grants - capital	13,867	10,513	(3,354)	(24.19)%	5
Contributions - monetary	133,016	32,876	(100,140)	(75.28)%	6
Contributions - non monetary	181,665	246,042	64,377	35.44%	7
Net gain on disposal of property, infrastructure, plant and equipment	16,442	–	(16,442)	(100.00)%	8
Fair value increment for investment properties	–	975	975	–	9
Interest Income	20,719	29,463	8,744	42.20%	10
Other income	3,476	8,941	5,465	157.22%	11
Total income / revenue	608,949	557,012	(51,937)	(8.53)%	
Expenses					
Employee costs	77,934	72,049	5,885	7.55%	12
Materials and services	107,798	122,668	(14,870)	(13.79)%	13
Depreciation	51,715	56,203	(4,488)	(8.68)%	14
Amortisation - intangible assets	327	327	–	0.00%	
Depreciation - right of use assets	365	354	11	3.01%	
Allowance for impairment losses	1,220	2,678	(1,458)	(119.51)%	15
Borrowing costs	190	197	(7)	(3.68)%	
Finance costs - leases	27	20	7	25.93%	
Net loss on disposal of property, infrastructure, plant and equipment	–	2,756	(2,756)	–	16
Revaluation decrement of IPP&E	–	4,418	(4,418)	–	17
Other expenses	–	1,827	(1,827)	–	18
Total expenses	239,576	263,497	(23,921)	(9.98)%	
Surplus/(deficit) for the year	369,373	293,515	(75,858)	(20.54)%	

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
--------------	-------------

- | | |
|-----|---|
| 1. | Rates and Charges ended the year marginally unfavourable to budget which is attributable to lower supplementary rate revenue than originally anticipated. |
| 2. | Statutory Fees and Fines ended the year with a favourable variance to budget predominately due to better than anticipated revenues from infringement notices. This is offset by lower than expected revenues from building permits due to the slow down in the Building industry. |
| 3. | User Fees income ended the year with a unfavourable variance to budget mainly due to lower than anticipated revenues from 'Building Subdivision Fee' income and 'Building Application Fee' income. This is in correlation with the slow down in the Building industry. |
| 4. | Operating grant income ended the year unfavourably against budget due to the receipt of the 2023/24 Financial Assistance Grant in 2022/23. This was partially offset by greater than anticipated grant income including in the areas of:
<i>Maternal & Child Health Services</i>
<i>Commonwealth Home Support</i>
<i>Family Day Care Services</i> |
| 5. | The unfavourable variance to budget against Capital Grant income is primarily due to a number of budgeted grants not being received including those for the following projects:
<i>Weir Views Childrens and Community Centre</i>
<i>Aintree Children's and Community Centre</i>
<i>Plumpton Children's Centre & Neighbourhood House</i>

Conversely, these were partially offset by unbudgeted Capital Grant income received for projects including those for:
<i>Thornhill Park Children's and Community Centre</i>
<i>Asset Management Services</i>
<i>Renewal Program Transport Sealed Roads</i> |
| 6. | Monetary contributions ended the year unfavourable to budget mainly due to subdivisions not achieving their Statement's of Compliance (SOC's), as expected where developers experienced delayed responses from referral authorities such as Melbourne Water. As well as this, amendments to plans and construction schedules by developers in response to increases in costs and slowing demand in the housing market due to higher than anticipated interest rates, also contributed to the unfavourable variance. Revised SOC's now have those stages scheduled to be completed in 2024/25. |
| 7. | Non-monetary contributions ended higher than expected due to the unbudgeted recognition of subdivision works completed and increased subdivision activity in new areas such as Plumpton, Kororoit and Mt Atkinson Precinct Structure Plan. This was offset by the rolling credit recognition which was below projection mainly due to 'works in kind' and 'land in kind' not delivered during the year in the Woodlea, Grandview and Atherstone subdivisions. |
| 8. | Lower than anticipated land sales volume within the Atherstone development is the main contributor to the unfavourable variance with the remaining subdivision expected to be developed in the near future to generate sales. |
| 9. | Unbudgeted increase in the Fair Value of Council's investment property occurred in 2023/24. These included Melton Country Club and Melton Vallley Golf Club. |
| 10. | The favourable variance in Interest on investments is mainly due to investments providing higher returns than budgeted resulting from a higher than anticipated cash rate. |
| 11. | Other revenues ended the year favourably against budget predominately due to unbudgeted distributions for investment holdings with Victorian Funds Management Corporation (VFMC) as well as greater than anticipated miscellaneous revenues in the Waste area. |

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

12. Employee costs ended the year favourably to budget due to unfilled vacancies across Council particularly against the City Life and City Futures Directorate's in particular for:
Maternal and Child Health
City Strategy

This is partly offset by the costs of contract labour required to fill some of these vacant roles which forms part of Materials and Services.

13. The unfavourable variance to budget in Materials and Services has predominately arisen as a result of unbudgeted Contract Labour costs and slightly higher than anticipated Contract payments to vendors. Unbudgeted maintenance costs which had originally been budgeted against capital expenditure also contributed to the unfavourable result. The unfavourable variance was partially offset by favourable variances against 'Development' costs and 'Research, Planning & Design' costs.
14. This unfavourable variance is mainly due to more Drainage, Road and Footpath assets being capitalised sooner than originally anticipated and fewer Recreation and Furniture assets being capitalised than originally anticipated.
15. This unfavourable variance is predominately due to internal reviews resulting in the withdrawal of Litter and other Local Laws fines which had been issued in error combined with legislative timeframes for internal review having lapsed.
16. The unfavourable variance is due to unbudgeted disposal of various infrastructure assets.
17. Fair value decrement on land under roads.
18. The unfavourable variance is due to fair value decrement on financial instruments invested with VFMC.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	–	3,510	3,510	–	1
Total land	–	3,510	3,510	–	
Buildings	27,343	36,415	9,072	33.18%	2
Total buildings	27,343	36,415	9,072	33.18%	
Total property	27,343	39,925	12,582	46.02%	
Plant and equipment					
Plant, machinery and equipment	28	28	–	0.00%	
Fixtures, fittings and furniture	73	74	1	1.37%	
Computers and telecommunications	2,458	674	(1,784)	(72.58)%	3
Library books	559	526	(33)	(5.90)%	
Total plant and equipment	3,118	1,302	(1,816)	(58.24)%	
Infrastructure					
Roads	29,440	49,828	20,388	69.25%	4
Bridges	2,896	902	(1,994)	(68.85)%	5
Footpaths and cycleways	6,237	3,764	(2,473)	(39.65)%	6
Drainage	1,396	1,703	307	21.99%	7
Recreational, leisure and community facilities	28,323	14,705	(13,618)	(48.08)%	8
Off street car parks	–	568	568	–	9
Public Art	–	81	81	–	
Kerb & Channel	134	353	219	163.43%	10
Traffic Management Devices	15,238	1,549	(13,689)	(89.83)%	11
Other infrastructure	223	36	(187)	(83.86)%	12
Total infrastructure	83,887	73,489	(10,398)	(12.40)%	
Total capital works expenditure	114,348	114,716	368	0.32%	
Represented by:					
New asset expenditure	63,523	58,886	(4,637)	(7.30)%	13
Asset renewal expenditure	13,239	17,489	4,250	32.10%	14
Asset expansion expenditure	5,416	4,250	(1,166)	(21.53)%	15
Asset upgrade expenditure	32,170	34,091	1,921	5.97%	16
Total capital works expenditure	114,348	114,716	368	0.32%	

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

Variance Ref	Explanation
1.	This variance is due to the unbudgeted purchase of land associated with the Plumpton Aquatic Centre.
2.	The unfavourable variance to budget against the Buildings category is mainly attributable to a higher than anticipated level of capitalised labour costs; an unbudgeted spend against the Bridge Road Community Hub; and an overspend against the Weir Views Childrens and Community Centre. These were partially offset by less being spent than expected on the Diggers Rest Community Pavilion & Oval No2; an underspend against the Melton Recycling Facility - Stage 2; and an underspend against the Melton Recreation Reserve Pavilion (Construction) project.
3.	This favourable variance is due delay in delivery of some projects and other projects have not commenced. The most material of which are as follows: <i>Council AV Equipment Upgrade/Renewal</i> <i>IT Security Program</i> <i>Service Management Reporting Uplift (Service Review)</i> <i>Annual IT Device Replacement</i> <i>Network Uplift Activities</i>
4.	The unfavourable variance against Roads is predominately due to more being spent than originally anticipated on the Sealed Roads Transport Renewal Program and on Bulman's Road, West Melton - Urbanisation.
5.	The favourable variance against Bridges is predominately due to favourable variances across most of the budgeted projects, in particular <i>Pedestrian Bridge - Hannah Watts Park, Melton</i> <i>Sinclair's Road, Deanside - Bridge Construction</i> <i>Pedestrian Bridge-Over Toolern Creek, Strathulloh</i>
6.	The favourable variance against Footpaths and Cycleways is predominately due to favourable variances across most of the budgeted projects, in particular: <i>Sugar Gum Estate Pedestrian Path</i> <i>Civic Centre Paths</i> <i>The Pedestrian and Cycling Infrastructure Program</i>
7.	The unfavourable variance against Drainage is predominately due to timing differences across most of the budgeted projects, in particular: <i>Water Sensitive Urban Design Program</i> <i>Culvert Upgrade - Little Blind Creek, Kurunjang</i>
8.	The favourable variance against Recreational, leisure and community facilities is predominately due to favourable variances across most of the budgeted projects, in particular: <i>Mt Atkinson East Sports Reserve, Mt Atkinson</i> <i>Kurunjang Recreation Reserve Synthetic Renewal</i> <i>Bridge Road Recreation Reserve Stage 3</i> <i>Caroline Springs Town Centre-Oval Redevelopment</i> <i>Renewal Program Open Space Tennis/Netball Courts</i> These favourable variances were partially offset by unfavourable variances against: <i>Plumpton Aquatic Centre</i> <i>MTC Revitalisation Grant Round 2 - Kid Zone</i>
9.	The unfavourable variance against Off Street Car Parks is predominately due to unbudgeted spends against Unsealed Car Parks Upgrade - Various and City Vista Sports Precinct Car Park Extension.
10.	Kerb & Channel project renewal is complete. Overspend is due to constrained market conditions causing price escalation.
11.	The favourable variance against Traffic Management Devices is predominately due to favourable variances across most of the budgeted projects, in particular: <i>Roundabout-Mount Cottrell Rd & Greigs Rd Strathulloh</i> <i>Signalised Intersection-Caroline Springs Blvd/The Crossing</i> <i>Intersection Upgrade; Exford Rd & Greigs Rd-West</i>

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

- 12 The favourable variance against Other Infrastructure is predominately due to less labour costs being capitalised than originally anticipated combined with favourable variances across most of the budgeted projects, in particular: The MTC Revitalisation grant funded project for active transport.
- 13 This Favourable variance is due to a wide variety of budgeted works either partially or not commenced on the following projects, the most material of which are as follows:
*Bridge Road Community Hub, Strathulloh
 Mt Atkinson East Sports Reserve, Mt Atkinson
 Aintree Children's and Community Centre
 Weir Views Childrens and Community Centre
 Roundabout-Mount Cottrell Rd & Greigs Rd Strathulloh*

These favourable variances are offset by the following unfavourable variances comprising of timing differences, the most material of which are as follows:

- Diggers Rest Community Pavilion & Oval No2
 Melton Recycling Facility Stage 2
 Land purchase associated with the Plumpton Aquatic
 Taylors Rd/Sinclairs Rd - Signalised Intersection
 Plumpton Children's Centre & Neighbourhood House*
- 14 This unfavourable variance is comprising of either unbudgeted works or timing differences on budgeted projects, the most material of which are as follows:
*Renewal Program - Transport - Sealed Roads
 Renewal Program - Transport - Footpaths*

These unfavourable variances are offset by favourable variances comprising budgeted works either partially or not commenced on the following projects, the most material of which are as follows:

- Kurunjang Recreation Reserve Synthetic Renewal
 Council AV Equipment Upgrade/Renewal
 Navan Park Playspace*
- 15 This Favourable variance is due to a wide variety of budgeted works either partially or not commenced on the following projects, the most material of which are as follows:
*Bridge Road Recreation Reserve Stage 3
 Hume Drive Stage 2-Calder Park Dr- Gourlay Rd*
- 16 This unfavourable variance is comprising of either unbudgeted works or timing differences on budgeted projects, the most material of which are as follows:
*Bulmans Road, West Melton - Urbanisation (Roads)
 Melton Recreation Reserve Pavilion (Construction)
 Burnside Heights Recreation Reserve - Oval 2*

These unfavourable variances are offset by favourable variances comprising budgeted timing differences on the following projects, the most material of which are as follows:

- The Parkway Reserve Upgrade
 Caroline Springs Town Centre-Oval Redevelopment
 Earlington Square Upgrade*

Melton City Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Office of CEO

The office of the CEO incorporates Customer Services & Transformation, Engagement & Advocacy, Strategic Initiatives, Legal Services, and Governance Services.

Organisational Performance

The Organisational Performance directorate incorporates the Finance, Information Technology, Procurement, Enterprise Project Management Office and Organisational Performance service units. This directorate provides internal support to Council Staff.

City Life

The City Life directorate incorporates the Community Care, Families & Children, Recreation, Youth, Arts & Events and Libraries service units. The Community Services directorate provides a range of services to people within our community, through provision of leisure and sporting infrastructure, libraries, care services for families, children, the elderly and those with disabilities.

City Delivery

The City Delivery directorate incorporates the Capital Delivery, Engineering & Assets, Operations, Contract Management, Economic Development & Advocacy and Community Safety service units. The City Delivery directorate is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community.

City Futures

The City Futures directorate incorporates the Infrastructure Planning, Growth & Development, Strategy and Environmental & Sustainability. The City Futures directorate provides planning, design & strategy and environmental health & sustainability services to the community.

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2024					
Office of CEO	1,730	15,437	(13,707)	–	–
Organisational Performance	493,749	40,725	453,024	14,544	660,302
City Life	19,606	38,567	(18,961)	15,437	111,430
City Delivery	31,205	155,260	(124,055)	6,191	4,113,857
City Futures	10,722	13,508	(2,786)	237	6,836
Total functions and activities	557,012	263,497	293,515	36,409	4,892,425
2023					
Office of CEO	2,033	13,857	(11,824)	–	–
Organisational Performance	575,072	17,067	558,005	29,719	639,649
City Life	18,857	40,847	(21,990)	14,100	108,258
City Delivery	44,781	145,561	(100,780)	13,259	3,668,443
City Futures	13,169	13,919	(750)	3,108	6,177
Total functions and activities	653,912	231,251	422,661	60,186	4,422,527

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services

	2024	2023
	\$ '000	\$ '000

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements.

The valuation base used to calculate general rates for 2023/24 was \$56.587 billion (2022/23: \$48.087 billion).

General rates	108,905	100,296
Municipal charge	13,320	11,955
Supplementary rates and rate adjustments	5,948	6,390
Interest on rates and charges	1,844	1,493
Commercial	7,138	6,686
Industrial	12,520	9,304
Rural	3,955	4,105
Garbage charge	23,401	22,472
Total rates and charges	177,031	162,701

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2023 and the valuation was first applied in the rating year commencing 1 July 2023.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

	2024	2023
	\$ '000	\$ '000

3.2 Statutory fees and fines

Infringements and costs	5,801	3,616
Permits	5,713	6,094
Other	3,357	3,043
Total statutory fees and fines	14,871	12,753

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024	2023
	\$ '000	\$ '000
3.3 User fees		
Leisure centre, building and other permits	3,805	3,527
Childcare aged care and health services	830	823
Subdivision fees	3,617	4,950
Other fees and charges	2,152	1,896
Total user fees	10,404	11,196
User fees by timing of revenue recognition		
User fees recognised over time	3,450	1,580
User fees recognised at a point in time	6,954	9,617
Total user fees	10,404	11,197

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Melton City Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024	2023
	\$ '000	\$ '000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	9,846	36,160
State funded grants	26,563	24,026
Total grants received	36,409	60,186

(a) Operating Grants**Recurrent - Commonwealth Government**

Financial Assistance Grant	937	29,222
Family day care	1,322	1,063
Aged care	107	-
Community health	91	-
Other	4,920	3,134

Recurrent - State Government

Aged care	1,004	655
Libraries	1,009	1,009
Children services	8,071	5,321
Community support and development	2,071	1,236
Community health	138	263
Youth services	213	78
Environment	31	-
Family and Children	57	-
Other	698	739
Total recurrent operating grants	20,669	42,720

Non-recurrent - Commonwealth Government

Community Support and Development	20	-
Other	334	26

Non-recurrent - State Government

Community health	213	311
Family and children	372	346
Childrens services	1,432	69
Community support and development	1,223	389
Community safety	-	20
Environment	801	321
Family, youth and housing	60	361
Libraries	-	27
Parks & open space streetscapes	247	237
Sports and recreation	-	10
Aged care	227	-
Other	298	1,484
Total non-recurrent operating grants	5,227	3,601

Total operating grants

25,896	46,321
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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,124	994
Roads	6	29
Recurrent - State Government		
Roads	311	-
Sports & Recreation	105	-
Other	23	23
Total recurrent capital grants	1,569	1,046
Non-recurrent - Commonwealth Government		
Parks & Open Space Streetscapes	198	141
Car Parks	370	174
Sports & Recreation	359	66
Roads	36	-
Other	22	1,311
Non-recurrent - State Government		
Buildings	5,524	6,237
Sports & Recreation	348	2,026
Parks & Open Space Streetscapes	872	2,712
Footpaths	191	5
Environment	100	6
Bridges	125	-
Traffic Management Devices	20	-
Other	779	141
Total non-recurrent capital grants	8,944	12,819
Total capital grants	10,513	13,865

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	937	29,222
Other specific purpose grants	3,580	16,160
Specific purpose grants to acquire non-financial assets	29,064	2,676
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	2,828	12,126
	<u>36,409</u>	<u>60,184</u>
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	9,113	8,968
Received during the financial year and remained unspent at balance date	1,397	3,267
Received in prior years and spent during the financial year	(8,876)	(3,122)
Balance at year end	<u>1,634</u>	<u>9,113</u>
Capital		
Balance at start of year	14,971	15,170
Received during the financial year and remained unspent at balance date	2,311	5,116
Received in prior years and spent during the financial year	(5,161)	(5,315)
Balance at year end	<u>12,121</u>	<u>14,971</u>

Unspent grants are determined and disclosed on a cash basis.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024	2023
	\$ '000	\$ '000
3.5 Contributions		
Monetary	32,876	79,668
Non-monetary contributions		
Non-monetary	246,042	304,619
Total contributions	278,918	384,287

Contributions of non monetary assets were received in relation to the following asset classes.

Land	54,616	56,858
Land under roads	21,202	29,459
Roads	70,620	94,031
Buildings	–	26
Footpaths	20,279	19,926
Drainage	49,246	58,859
Recreation	5,290	3,061
Kerb and channel	19,400	20,639
Traffic management	2,391	2,264
Bridges	1,499	16,551
Car parks	1,499	2,945
Total non-monetary contributions	246,042	304,619

Monetary and non monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024	2023
	\$ '000	\$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Land Held for Sale		
Proceeds of sale	5,093	12,826
Written down value of assets disposed	(1,704)	(5,390)
Total net gain/(loss) on disposal of land held for sale	3,389	7,436
Plant and equipment		
Proceeds of sale	17	39
Written down value of assets disposed	(208)	(401)
Total net gain/(loss) on disposal of plant and equipment	(191)	(362)
Buildings and Infrastructure Assets		
Written down value of assets disposed	(5,954)	(5,800)
Total net gain/(loss) on disposal of Infrastructure Assets	(5,954)	(5,800)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(2,756)	1,274

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

	2024	2023
	\$ '000	\$ '000

3.7 Interest Income

Interest Income		
Interest Income	29,463	17,295
Total Interest Income	29,463	17,295

Interest is recognised as it is earned.

Melton City Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services

	2024 \$ '000	2023 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	60,929	56,929
WorkCover	1,466	906
Casual staff	1,484	1,401
Superannuation	7,161	6,447
Fringe benefits tax	59	58
Other	950	1,084
Total employee costs	72,049	66,825
(b) Superannuation		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	87	118
	87	118
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,509	3,038
Employer contributions - other funds	3,565	3,291
	7,074	6,329
Total superannuation costs	7,161	6,447

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments	51,728	50,174
General maintenance	12,937	13,383
Utilities	5,258	6,100
Information technology	5,069	4,181
Insurance	1,805	1,523
Consultants	361	529
Garbage collection and disposal	8,183	7,126
Contract labour	10,501	3,511
Administrative support	9,397	8,597
Program expenses	5,972	5,805
Professional fees	5,240	4,336
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	62
Auditors' remuneration - internal	186	76
Contributions and donations	623	612
Councillors allowances	461	432
Transport and vehicle operations	948	610
Other	3,928	4,371
Total materials and services	122,668	111,428

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.3 Depreciation		
Property	8,543	6,884
Plant and equipment	494	565
Infrastructure	47,166	42,308
Total depreciation	56,203	49,757

Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations

	2024	2023
	\$ '000	\$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	4	3
Cash at bank	7,663	6,320
Cash at call	11,104	17,078
Total current cash and cash equivalents	18,771	23,401
Total cash and cash equivalents	18,771	23,401
(b) Other financial assets		
Current		
Term deposits	236,000	309,000
Total current other financial assets	236,000	309,000
Non-current		
Managed funds	74,673	–
Term deposits	250,000	239,000
Total non-current other financial assets	324,673	239,000
Total other financial assets	560,673	548,000
Total current financial assets	254,771	332,401
Total non-current financial assets	324,673	239,000
Total cash and cash equivalents and other financial assets	579,444	571,401

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	27,541	18,585
Infringement debtors	8,622	6,722
Non-statutory receivables		
Accrued interest	10,127	8,168
Other debtors	24,432	31,824
Allowance for expected credit loss - infringements	(6,206)	(5,181)
Allowance for expected credit loss - other debtors	(377)	(414)
Total current trade and other receivables	64,139	59,704
Total trade and other receivables	64,139	59,704

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

	2024 \$ '000	2023 \$ '000
(d) Ageing of receivables		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	30,261	37,525
Past due by up to 30 days	1,613	1,354
Past due between 31 and 180 days	1,420	328
Past due between 181 and 365 days	966	785
Total trade and other receivables	34,260	39,992

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$377,000 (2023: \$413,000) were impaired. The amount of the provision raised against these debtors was \$377,000 (2023: \$413,000). They individually have been impaired as a result of their doubtful collection.

Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Past due between 181 and 365 days	377	414
Total trade and other receivables	377	414

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000
(f) Contract assets		
Current		
Contract Assets	15,512	26,388
Total Current	15,512	26,388
Total contract assets	15,512	26,388

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000

5.2 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	30,944	26,489
Accrued expenses	17,037	23,939
Statutory payables	5,905	759
Total current trade and other payables	53,886	51,187

(b) Trust funds and deposits

Current

Refundable deposits	10,095	14,165
Construction retention monies	277	116
Total current trust funds and deposits	10,372	14,281

Non-current

Refundable deposits	37,100	23,658
Other refundable deposits	130	131
Total non-current trust funds and deposits	37,230	23,789

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance - operating	1,634	9,113
Grants received in advance - capital	12,121	14,971
Income received in advance - contracts with customers	3,450	1,580
Total current contract liabilities	17,205	25,664

Total current contract and other liabilities	17,205	25,664
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Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of construction of roads and other infrastructure across Council. Unearned income/revenue is derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process. Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations

	Employee provisions \$ '000	Total \$ '000
5.3 Provisions		
2024		
Balance at the beginning of the financial year	15,403	15,403
Additional provisions	2,966	2,966
Amounts used	(929)	(929)
Balance at the end of the financial year	17,440	17,440
Provisions		
Provisions - current	15,324	15,324
Provisions - non-current	2,116	2,116
Total Provisions	17,440	17,440
2023		
Balance at the beginning of the financial year	14,235	14,235
Additional provisions	2,033	2,033
Amounts used	(865)	(865)
Balance at the end of the financial year	15,403	15,403
Provisions		
Provisions - current	13,608	13,608
Provisions - non-current	1,795	1,795
Total Provisions	15,403	15,403

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,583	3,970
Long service leave	1,072	957
	<u>5,655</u>	<u>4,927</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,135	1,865
Long service leave	7,534	6,816
	<u>9,669</u>	<u>8,681</u>
Total current employee provisions	<u>15,324</u>	<u>13,608</u>
Non-Current		
Long service leave	2,116	1,795
Total Non-Current Employee Provisions	<u>2,116</u>	<u>1,795</u>
Aggregate Carrying Amount of Employee Provisions:		
Current	15,324	13,608
Non-current	2,116	1,795
Total Aggregate Carrying Amount of Employee Provisions	<u>17,440</u>	<u>15,403</u>

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if Council expects to wholly settle the liability within 12 months
- present value if Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	4.35%	4.06%
- index rate	4.45%	4.35%

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000

5.4 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2024.

Bank overdraft	1,800	1,800
Credit card facilities	200	200
Other facilities	3,162	5,770
Total Facilities	5,162	7,770
Used facilities	3,206	5,832
Unused facilities	1,956	1,938

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.5 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Recycling facility operations	8,000	9,000	–	–	17,000
Garbage and recycling collection	15,950	16,155	–	–	32,105
Health/cleaning services	4,220	4,740	–	–	8,960
Parks maintenance services	12,421	13,313	27,813	–	53,547
Road maintenance	8,764	9,453	19,900	–	38,117
IT services	8,052	5,616	4,412	1,395	19,475
Recreation/Leisure services	3,072	2,927	6,021	–	12,020
Total	60,479	61,204	58,146	1,395	181,224
Capital					
Buildings	25,020	259	50	–	25,329
Roads	20,373	253	50	–	20,676
Recreational	181	40	–	–	221
Total	45,574	552	100	–	46,226
2023					
Operating					
Recycling facility operations	4,800	4,800	–	–	9,600
Garbage and recycling collection	10,300	5,000	8,500	–	23,800
Health/cleaning services	3,600	4,100	–	–	7,700
Parks maintenance services	12,685	12,993	49,190	19,601	94,469
Road maintenance	6,585	6,642	20,417	–	33,644
IT services	4,368	1,555	1,128	595	7,646
Recreation/Leisure services	2,670	2,930	9,300	3,400	18,300
Total	45,008	38,020	88,535	23,596	195,159
Capital					
Buildings	10,441	800	209	–	11,450
Roads	23,035	11,098	153	–	34,286
Recreational	6,068	241	–	–	6,309
Total	39,544	12,139	362	–	52,045

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000

(b) Operating lease receivables**Operating lease receivables**

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold buildings.

These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 5 years.

All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	730	808
Later than one year and not later than five years	3,124	3,570
	<u>3,854</u>	<u>4,378</u>

Note 6. Assets we manage

	2024	2023
	\$ '000	\$ '000

6.1 Non-current assets classified as "held for sale"

Current

Fair value of land	230	78
Total non current assets classified as held for sale	<u>230</u>	<u>78</u>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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for the year ended 30 June 2024

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2023 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2024 \$ '000
Property	1,151,944	3,510	75,818	(4,418)	(1,454)	(8,543)	–	21,413	1,238,270
Plant and equipment	1,808	1,302	–	–	(309)	(494)	–	–	2,307
Work in progress	81,049	109,904	–	–	–	–	–	(49,413)	141,540
Infrastructure	2,518,584	–	170,224	173,053	(4,500)	(47,166)	–	27,563	2,837,758
Total	3,753,385	114,716	246,042	168,635	(6,263)	(56,203)	–	(437)	4,219,875

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	17,057	36,415	–	(21,963)	31,509
Infrastructure	63,992	73,489	–	(27,450)	110,031
Total	81,049	109,904	–	(49,413)	141,540

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Land under roads \$ '000	Total land and land improvements \$ '000	Buildings specialised \$ '000	Buildings non specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total work in progress \$ '000	Total property \$ '000
Property										
At fair value 1 July 2023	612,777	90,546	159,710	863,033	335,735	39,022	374,757	17,057	17,057	1,254,847
Accumulated depreciation at 1 July 2023	-	-	-	-	(76,164)	(9,683)	(85,847)	-	-	(85,847)
	<u>612,777</u>	<u>90,546</u>	<u>159,710</u>	<u>863,033</u>	<u>259,571</u>	<u>29,339</u>	<u>288,910</u>	<u>17,057</u>	<u>17,057</u>	<u>1,169,000</u>
Movements in fair value										
Additions	3,510	-	-	3,510	-	-	-	36,415	36,415	39,925
Contributions	54,616	-	21,202	75,818	-	-	-	-	-	75,818
Revaluation	-	-	(4,418)	(4,418)	-	-	-	-	-	(4,418)
Disposal	-	-	-	-	(1,444)	(38)	(1,482)	-	-	(1,482)
Write-off	-	-	-	-	-	-	-	-	-	-
Transfers	(550)	-	-	(550)	21,963	-	21,963	(21,963)	(21,963)	(550)
	<u>57,576</u>	<u>-</u>	<u>16,784</u>	<u>74,360</u>	<u>20,519</u>	<u>(38)</u>	<u>20,481</u>	<u>14,452</u>	<u>14,452</u>	<u>109,293</u>
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	-	(7,691)	(852)	(8,543)	-	-	(8,543)
Accumulated depreciation of disposals	-	-	-	-	20	8	28	-	-	28
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,671)</u>	<u>(844)</u>	<u>(8,515)</u>	<u>-</u>	<u>-</u>	<u>(8,515)</u>
At fair value 30 June 2024	670,353	90,546	176,494	937,393	356,254	38,984	395,238	31,509	31,509	1,364,140
Accumulated depreciation at 30 June 2024	-	-	-	-	(83,835)	(10,527)	(94,362)	-	-	(94,362)
Carrying amount	<u>670,353</u>	<u>90,546</u>	<u>176,494</u>	<u>937,393</u>	<u>272,419</u>	<u>28,457</u>	<u>300,876</u>	<u>31,509</u>	<u>31,509</u>	<u>1,269,778</u>

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Total plant and equipment \$ '000
Plant and Equipment					
At fair value 1 July 2023	1,586	876	7,481	1,789	11,732
Accumulated depreciation at 1 July 2023	(1,486)	(800)	(7,067)	(571)	(9,924)
	100	76	414	1,218	1,808
Movements in fair value					
Additions	28	74	674	526	1,302
Disposal	(659)	-	-	(543)	(1,202)
	(631)	74	674	(17)	100
Movements in accumulated depreciation					
Depreciation and amortisation	(48)	(60)	(187)	(199)	(494)
Accumulated depreciation of disposals	642	-	-	251	893
	594	(60)	(187)	52	399
At fair value 30 June 2024	955	950	8,155	1,772	11,832
Accumulated depreciation at 30 June 2024	(892)	(860)	(7,254)	(519)	(9,525)
Carrying amount	63	90	901	1,253	2,307

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Foot- paths and cycle- ways \$ '000	Drainage \$ '000	Recrea- tional, leisure and commu- nity \$ '000	Off street car parks \$ '000	Kerb and channel \$ '000	Traffic manage- ment \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total work in progress \$ '000	Total infra- structure \$ '000
Infrastructure													
At fair value 1 July 2023	1,136,599	112,176	291,630	933,219	122,748	47,784	310,717	117,154	2,874	3,074,901	63,992	63,992	3,138,893
Accumulated depreciation at 1 July 2023	(170,418)	(20,920)	(63,818)	(146,637)	(41,099)	(7,086)	(71,388)	(33,048)	(1,902)	(556,316)	–	–	(556,316)
	<u>966,181</u>	<u>91,256</u>	<u>227,812</u>	<u>786,582</u>	<u>81,649</u>	<u>40,698</u>	<u>239,329</u>	<u>84,106</u>	<u>972</u>	<u>2,518,585</u>	<u>63,992</u>	<u>63,992</u>	<u>2,582,577</u>
Movements in fair value													
Revaluation	(141,474)	47,436	154,696	–	19,047	7,468	83,023	–	–	170,196	–	–	170,196
Additions	–	–	–	–	–	–	–	–	–	–	73,489	73,489	73,489
Contributions	70,620	1,499	20,279	49,246	5,290	1,499	19,400	2,391	–	170,224	–	–	170,224
Transfers	12,692	426	5,149	1,826	2,180	(455)	1,300	5,114	(669)	27,563	(27,450)	(27,450)	113
Write-off	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposal	(5,316)	(282)	(1,457)	(125)	(236)	(16)	(318)	(584)	(2,205)	(10,539)	–	–	(10,539)
	<u>(63,478)</u>	<u>49,079</u>	<u>178,667</u>	<u>50,947</u>	<u>26,281</u>	<u>8,496</u>	<u>103,405</u>	<u>6,921</u>	<u>(2,874)</u>	<u>357,444</u>	<u>46,039</u>	<u>46,039</u>	<u>403,483</u>
Movements in accumulated depreciation													
Depreciation and amortisation	(14,808)	(1,896)	(5,229)	(10,145)	(6,385)	(640)	(5,334)	(2,729)	–	(47,166)	–	–	(47,166)
Accumulated depreciation of disposals	3,198	120	613	50	112	3	68	132	1,743	6,039	–	–	6,039
Accumulated depreciation on revaluation	20,984	(7,011)	(13,706)	–	(7,132)	(857)	10,579	–	–	2,857	–	–	2,857
Transfers	–	–	–	–	545	–	–	(704)	159	–	–	–	–
	<u>9,374</u>	<u>(8,787)</u>	<u>(18,322)</u>	<u>(10,095)</u>	<u>(12,860)</u>	<u>(1,494)</u>	<u>5,313</u>	<u>(3,301)</u>	<u>1,902</u>	<u>(38,270)</u>	<u>–</u>	<u>–</u>	<u>(38,270)</u>
At fair value 30 June 2024	1,073,122	161,255	470,297	984,166	149,029	56,280	414,122	124,075	–	3,432,346	110,031	110,031	3,542,377
Accumulated depreciation at 30 June 2024	(161,044)	(29,708)	(82,141)	(156,732)	(53,958)	(8,580)	(66,075)	(36,349)	–	(594,587)	–	–	(594,587)
Carrying amount	<u>912,078</u>	<u>131,547</u>	<u>388,156</u>	<u>827,434</u>	<u>95,071</u>	<u>47,700</u>	<u>348,047</u>	<u>87,726</u>	<u>–</u>	<u>2,837,759</u>	<u>110,031</u>	<u>110,031</u>	<u>2,947,790</u>

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Land and land improvements		
Land	N/A	–
Land under roads	N/A	–
Buildings		
buildings	50	–
Plant and Equipment		
Plant and machinery	5	5
Furniture and equipment	3-5	5
Library assets	10	–
Infrastructure		
Roads	10-100	10
Bridges	25-100	25
Other	20-100	–
Footpaths	10-61	10
Car parks	10-70	10
Drainage works	80-100	25
Recreation facilities	3-30	–
Kerb and channel	10-70	10
Traffic management	10-70	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset component is expensed.

Valuation of land and buildings

Valuation of land and land under roads was undertaken by qualified independent valuers Opteon Pty Ltd (API No. 102351). The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Valuation of buildings was undertaken by qualified independent valuers Odysseus-imc Pty Ltd/Asset Management Consultants. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year for land and buildings and this valuation was based on the Rawlinson's Australian Construction Handbook. A full revaluation of these assets will be conducted in 2026/2027. A full revaluation of land under roads was conducted in the current year.

Details of Council's land and buildings and information about the fair value hierarchy (refer to Note 8.4 for hierarchy definition) as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Non-specialised Land	–	90,546	–	Jun/24	index
Specialised land	–	–	670,353	Jun/24	index
Land Under Roads	–	–	168,745	Jun/24	full
Buildings	–	–	300,876	Jun/24	index
Total	–	90,546	1,139,974		

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Infrastructure Management Group and Ray Hutchinson & Associates.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year for traffic management, drainage land and recreational, leisure and community facilities in the current year and this valuation was based on the Rawlinson 's Australian Construction Handbook. A full revaluation of these assets will be conducted in 2026/2027. A full revaluation conducted in the current year for roads, bridges, footpaths kerbs and car parks.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of Council's infrastructure and information about the fair value hierarchy (refer to Note 8.4 for hierarchy definition) as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	912,078	Jun/24	full
Bridges	–	–	131,547	Jun/24	full
Footpaths and cycleways	–	–	388,156	Jun/24	full

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Drainage	–	–	827,434	Jun/24	index
Recreational, leisure & community facilities	–	–	95,071	Jun/24	index
Off street car parks	–	–	47,700	Jun/24	full
Traffic management	–	–	87,726	Jun/24	index
Kerb and channel	–	–	348,047	Jun/24	full
Total	–	–	2,837,759		

(*) An assessment was undertaken based on applicable indices to ensure that the carrying amount approximated fair value.

Melton City Council

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique.

Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$815 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$240 to \$6,700 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

	2024 \$ '000	2023 \$ '000
Specialised Land	670,353	612,777
Land Under Roads	168,745	159,710
Total specialised land	839,098	772,487

6.3 Investments in associates, joint arrangements and subsidiaries

Community Asset Committee

All entities controlled by Council that have material income, expenses, assets or liabilities, such as community asset committees, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Melton City Council is the parent entity.

Subsidiaries and Associates

Council has no interests in subsidiaries or associates.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Melton City Council. The Councillors, Chief Executive Officer and Executive Directors are deemed KMP.

Details of KMP at any time during the year are:

Councillors

Councillor Kathy Madjlik (Mayor from 3 November 2023)
 Councillor Lara Carli (Mayor to 2 November 2023)
 Councillor Steve Abboushi
 Councillor Goran Kesic
 Councillor Bob Turner
 Councillor Sophie Ramsey
 Councillor Ashleigh Vandenberg
 Councillor Julie Shannon
 Councillor Justine Farrugia

		2024	2023
		No.	No.
Total Number of Councillors		9	10
Chief Executive Officer	Roslyn Wai	1	1
Director Organisational Performance	Peter Leersen	1	1
Executive Lead Strategic Initiatives	Luke Shannon (from 1 July 2023 to 29 October 2023)	1	1
Acting General Manager Corporate Services	Luke Shannon	–	1
Director City Delivery	Neil Whiteside	1	1
Acting General Manager - Community Services	Troy Scoble	–	1
Director City Life	Troy Scoble	1	1
Acting General Manager - Planning & Development	Sam Romazsko	–	1
Director City Futures	Sam Romazsko	1	1
Executive Manager Corporate Strategy & Investments	Sean McManus	–	1
Head of Governance	Megan Kruger (from 1 July 2023 to 2 April 2024)	1	–
Head of Governance	Emily Keogh (from 4 March 2024)	1	–
Head of People & Customer	Sarah Noel (from 28 November 2023)	1	–
Total Number of Key Management Personnel		18	20

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024 \$ '000	2023 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,711	2,280
Other long-term employee benefits	35	129
Post-employment benefits	206	175
Total	2,952	2,584

	2024 No.	2023 No.
--	-------------	-------------

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$10,000 - \$19,999	–	2
\$30,000 - \$39,999	5	5
\$40,000 - \$49,999	1	–
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	–
\$90,000 - \$99,999	1	–
\$190,000 - \$199,999	1	–
\$100,000 - \$109,999	–	1
\$220,000 - \$229,999	1	–
\$210,000 - \$219,999	–	2
\$290,000 - \$299,999	2	5
\$330,000 - \$339,999	1	–
\$300,000 - \$309,999	1	1
\$310,000 - \$319,999	1	1
\$390,000 - \$399,999	–	1
\$400,000 - \$409,999	1	–
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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

	2024 \$ '000	2023 \$ '000
Short-term employee benefits	3,499	5,275
Other long-term employee benefits	155	82
Post-employment benefits	373	538
Total	4,027	5,895

The number of other senior staff are shown below in their relevant income bands:

	2024 No.	2023 No.
Income Range:		
\$160,000 - \$169,999	–	1
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	2	6
\$190,000 - \$199,999	6	3
\$200,000 - \$209,999	1	8
\$210,000 - \$219,999	3	2
\$220,000 - \$229,999	4	4
\$230,000 - \$239,999	–	1
\$240,000 - \$249,999	1	–
\$250,000 - \$259,999	–	2
\$260,000 - \$269,999	–	1
	19	29

	2024 \$ '000	2023 \$ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	4,027	5,895

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Key Management Personnel, or Related Parties of such Key Management Personnel during the reporting year. If any such transactions are entered into by Council, they are at arms-length.

(b) Outstanding balances with related parties

There are no outstanding balances with related parties as at 30 June 2024 (2023: Nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to Key Management Personnel of the Council during the reporting period (2023: Nil).

(d) Commitments to/from related parties

There are no commitments to or from related parties as at 30 June 2024 (2023: Nil).

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date Council was aware of Developer contributions to be received in respect of estates currently under development expected to be in the range of \$310 million to \$340 million (2023: \$310 million to \$320 million).

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* to modify *AASB 13 Fair Value Measurement*. *AASB 2022-10* amends *AASB 13 Fair Value Measurement* for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The *AASB 13* modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of *AASB 13*. Council will assess any impact of the modifications to *AASB 13* ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*. *AASB 2022-6* amends *AASB 101 Presentation of Financial Statements* to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in *AASB 2022-6* are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to *AASB 101* ahead of the 2024-25 reporting period.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, managed funds, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with some price risks exposure in managed funds and and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and the amounts related to financial guarantees, and is deemed insignificant based on prior periods' data and current assessment of risk.

Other than adding VFMC managed, there has been no change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

- A parallel shift of + 0.47% and -0.54% in market interest rates (AUD) from year-end rates of 5.24% for all term deposits and 6.8% for VFMC managed funds.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair Value Hierarchy

With the exception of VFMC managed funds, Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. VFMC managed funds are fair valued at market prices while all other Council financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset Class	Revaluation frequency
Land	1 to 4 years
Buildings	1 to 4 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Recreational, leisure and community facilities	1 to 4 years
Waste management	1 to 4 years
Parks, open space and streetscapes	1 to 4 years

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

Other infrastructure

1 to 4 years

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

An assessment of land, buildings, traffic management devices and recreational, leisure and community facilities was undertaken based on applicable indices to ensure that the carrying amounts approximated fair value. A full valuation of these assets is due for 2025-26.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Melton City Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land - specialised	123,218	–	123,218
Land - non specialised	234,893	–	234,893
Buildings	70,990	–	70,990
Buildings - non specialised	11,442	–	11,442
	440,543	–	440,543
Infrastructure			
Roads	518,407	(120,490)	397,917
Bridges	51,858	40,425	92,283
Footpaths and cycleways	21,584	140,990	162,574
Drainage	387,236	–	387,236
Recreational, leisure and community facilities	34,761	11,915	46,676
Offstreet car parks	–	6,611	6,611
Kerb and channel	–	93,602	93,602
Traffic management	7,690	–	7,690
Other infrastructure	679	–	679
	1,022,215	173,053	1,195,268
Total asset revaluation reserves	1,462,758	173,053	1,635,811
2023			
Property			
Land - specialised	123,218	–	123,218
Land - non specialised	234,893	–	234,893
Buildings	7,789	63,201	70,990
Buildings - non specialised	–	11,442	11,442
	365,900	74,643	440,543
Infrastructure			
Roads	518,407	–	518,407
Bridges	51,858	–	51,858
Footpaths and cycleways	–	21,584	21,584
Drainage	123,430	263,806	387,236
Recreational, leisure and community facilities	26,596	8,165	34,761
Traffic management	–	7,690	7,690
Other infrastructure	679	–	679
	720,970	301,245	1,022,215
Total asset revaluation reserves	1,086,870	375,888	1,462,758

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2024				
Restricted reserves				
Street trees/drainage	999	65	–	1,064
Community infrastructure	314,054	139,930	(94,905)	359,079
Total restricted reserves	315,053	139,995	(94,905)	360,143
Discretionary reserves				
Perpetual maintenance	139	9	–	148
Defined benefit call	395	26	–	421
Infrastructure and strategic investment	122,873	13,997	–	136,870
Capital reserve	41,033	–	(26,965)	14,068
Total discretionary reserves	164,440	14,032	(26,965)	151,507
Total Other reserves	479,493	154,027	(121,870)	511,650
2023				
Restricted reserves				
Street trees/drainage	956	43	–	999
Community infrastructure	237,993	130,479	(54,418)	314,054
Total restricted reserves	238,949	130,522	(54,418)	315,053
Discretionary reserves				
Perpetual maintenance	133	6	–	139
Defined benefit call	378	17	–	395
Infrastructure and strategic investment	103,592	19,405	(124)	122,873
Capital reserve	67,617	–	(26,584)	41,033
Total discretionary reserves	171,720	19,428	(26,708)	164,440
Total Other reserves	410,669	149,950	(81,126)	479,493

Street trees/drainage

Developer contributions for provision of drainage assets and street beautification.

Community infrastructureDeveloper contributions collected to deliver community infrastructure within PSP and non-PSP areas in accordance with the *Planning and Environment Act 1987* and section 173 agreements.**Perpetual maintenance**

Provision for perpetual maintenance of Melton Cemetery.

Public art

Provision for installation and maintenance of public art throughout the municipality.

Defined benefit call

Provision for potential future funding call under the Defined Benefits Superannuation scheme.

Infrastructure and strategic investment

Income generated from Atherstone estate set aside for strategic investment and major capital works.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

Capital reserve

Provision for capital works carried forward from previous years.

	2024	2023
	\$ '000	\$ '000

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

Surplus/(deficit) for the year	293,515	422,661
Non-cash adjustments:		
Depreciation/amortisation	56,884	50,605
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,756	(1,274)
Fair value adjustments for investment property	(975)	(100)
Contributions - Non-monetary assets	(246,042)	(304,619)
Amounts disclosed in financing activities	217	303
Revaluation decrements of IPP&E direct to P&L	4,418	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(4,435)	(38,572)
(Increase)/decrease in inventories	13	31
(Increase)/decrease in prepayments	159	1
Increase/(decrease) in contract assets	10,876	1,793
Increase/(decrease) in trade and other payables	2,699	2,580
Increase/(decrease) in provisions	2,037	1,168
(Decrease)/increase in other liabilities	9,532	(1,544)
(Decrease)/increase in contract and other liabilities	(8,459)	(311)
Net cash provided by/(used in) operating activities	<u>123,195</u>	<u>132,722</u>

9.3 Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

The Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 due to lack of proportional split of the defined benefit liabilities, assets and cost between participating employers. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary using triennial actuarial investigations with the last investigation as at 30 June 2023 conducted and completed by 31 December 2023. The vested benefit index (VBI) is used as an indicator. The VBI as at 30 June 2023 was 104.1%. A VBI above 100% is considered satisfactory.

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Melton City Council

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023, further details of which are disclosed in the financial report for the year ended 30 June 2023.

Employer contributions

Defined benefit employer contributions can either be *regular contributions* or *funding calls*.

Regular contributions are based on 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. The rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation and Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

The *Funding Calls* are made if Defined Benefit category is in unsatisfactory financial position at an actuarial investigation. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa

Salary information 3.5% pa

Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2023-24 year.

Melton City Council

PERFORMANCE STATEMENT
for the year ended 30 June 2024

A vibrant, safe and liveable
City accessible to all



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Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

Peter Leersen CPA

Principal Accounting Officer

Dated: 16 September 2024

In our opinion, the accompanying performance statement of the Melton City Council for the year ended 30 June 2024 presents fairly the results of the Council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.

Cr Kathy Majdlik

Mayor

Dated: 16 September 2024

232 High Street, Melton VIC

Cr Steve Abboushi

Deputy Mayor

Dated: 16 September 2024

232 High Street, Melton VIC

Roslyn Wai

Chief Executive Officer

Dated: 16 September 2024

232 High Street, Melton VIC

Performance Statement

For the year ended 30 June 2024

Description of municipality

Located 19 kilometres northwest of Melbourne's CBD, the City of Melton is one of the fastest growing municipalities in Australia, projected to grow from 232,721 residents today to 470,596 by 2046. We have on average 79 families moving in, and 64 babies being born in our city every week. More than 60,000 residents were born overseas and almost 70,000 residents speak a language other than English at home.

The City of Melton is an integral part of Melbourne's western growth corridor, connected to the State of Victoria's major freeways and airports, as well as the State's largest industrial hub and the Port of Melbourne.

The City of Melton is a community that is transforming into a bustling municipality where people aspire to build a home, raise a family, establish a business and pursue a career. Whilst much of what attracts people to our municipality stems from our state of the art facilities, exciting new estates, and the beauty of our natural open spaces, it is in fact our community, our people and our values that make this great City, the place that people want to call home.

Section 2. Service Performance Indicators

For the year ended 30 June 2024

	Results					Comment
	2021	2022	2023	2024	2024	
Service/indicator/measure	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic facilities						
Utilisation						
AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.43	1.00	1.61	N/A	1.82	Attendance numbers have increased compared to previous years. The increase can be attributed to increased Learn To Swim program numbers and increased wellness programs conducted during the year.
Animal management						
Health and safety						
AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/Number of animal management prosecutions] x100	100%	100%	100%	N/A	100%	There were 23 animal matters heard and proven resulting in Councils' highest number of prosecutions in a 12-month period to date. All 23 prosecutions were successful.
Food safety						
Health and safety						
FS4 <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	0.00%	100.00%	0.00%	N/A	0.00%	No notifications received during the 2023 calendar year.

		Results					
		2021	2022	2023	2024	2024	
<i>Service/indicator /measure</i>		Actual	Actual	Actual	Target as per budget	Actual	Comment
Governance							
Satisfaction							
G2	<i>Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</i>	66	65	70	64	69	The 2024 result is marginally reduced in comparison to that of 2023, however, it is significantly higher than the set target and indicates the community is generally satisfied with Council's community consultation and engagement.
Libraries							
Participation							
LB7	<i>Library membership [percentage of the population that are registered library members] x100</i>	N/A	N/A	N/A	N/A	19.70%	This is a new indicator for 2024 and as such has no historical data for comparison.
Maternal and child health							
Participation							
MC4	<i>Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	62.66%	55.98%	52.80%	N/A	53.20%	This number is consistent with the previous year and reflects the service operating a prioritised MCH service model due to low staffing numbers and rapid population increases. 6,967 children attended the MCH service at least once in the year and 13,075 children enrolled in the MCH service.
Participation							
MCS	<i>Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	71.07%	64.03%	80.04%	N/A	67.34%	This result is within expected parameters but a reduction from 2023 is reflective of staffing levels within the industry. It is however consistent with the three previous years. Due to relatively small cohort these numbers will vary each year. 200 Aboriginal children attended the MCH service at least once in the year and 276 Aboriginal children enrolled in the MCH service.

		Results					
		2021	2022	2023	2024	2024	
<i>Service/indicator/measure</i>		Actual	Actual	Actual	Target as per budget	Actual	Comment
Roads							
Condition							
R2	<i>Sealed local roads below the intervention level</i> (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	97.05%	96.50%	96.52%	96.50%	97.06%	97% of roads are exceeding or meeting the standard set by Council. This is a great result owing to the greater commitment to the annual re-sealing program.
Statutory Planning							
Service Standard							
SP2	<i>Planning applications decided within the relevant required time</i> (percentage of planning application decisions made within the relevant required time)	72.66%	87.06%	51.26%	75.00%	52.80%	Although Council aims to meet the required statutory time frames, Council works closely with applicants to achieve the best outcomes for all involved. This collaborative approach as well the complexity associated with some applications can contribute to additional delays.
Waste Collection							
Waste diversion							
WCS	<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	43.48%	43.44%	43.43%	45.62%	39.73%	The kerbside collection landfill diversion rate is 39.73% which is a decrease on previous years. The decrease in the diversion rate can be attributed to Council and State Government initiatives resulting in a higher uptake of other waste disposal options including the Melton Recycling Facility free green waste disposal, hard waste collection services, and the Container Deposit Scheme with households choosing to return their own bottles and cans instead of placing these items in kerbside bins. These initiatives will likely impact on future results, therefore Melton Council will review the target for this indicator in light of these initiatives.

Section 3. Financial Performance Indicators

For the year ended 30 June 2024

	2021	2022	2023	2024	2024	2025	2026	2027	2028		
Dimension/indicator/measure	Actual	Actual	Actual	Target as per budget	Actual	Forecast				Material Variations	
Efficiency											
Revenue level											
E4	<i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,685.11	\$1,671.45	\$1,671.52	N/A	\$1,724.84	\$1,912.92	\$1,938.11	\$2,072.75	\$2,176.95	Results for this indicator have been consistent over the past few years. Revenue from rates has remained consistent with the increase in the number of rateable properties within the municipality.
Expenditure level											
E2	<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,767.63	\$2,654.13	\$2,786.17	\$2,675.52	\$2,994.28	\$2,960.17	\$2,922.44	\$3,000.10	\$3,025.14	The movement in this indicator is largely due to the recruitment of vacant roles from previous year. Council continues to monitor expenditure.
Liquidity											
Working capital											
L1	<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	375.53%	311.41%	389.34%	632.90%	337.36%	461.24%	446.61%	500.74%	592.43%	Unfavourable movement in this ratio is largely due to outflows of capital projects delivery. However the Council's liquidity remains strong in dollar terms and forecasted to remain so with substantial cash reserves in place over the medium term.
Unrestricted cash											
L2	<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-156.53%	-296.08%	-349.73%	N/A	-419.78%	-408.30%	-514.35%	-536.39%	-520.14%	The prescribed calculation method excludes term deposits with an original maturity of greater than 90 days that are classified as Other Financial Assets. In 2024 there was an increase in capital projects delivery that resulted in the deterioration in the unrestricted cash ratio. If term deposits are included in definition of unrestricted cash, the result is 144.91%

	2021	2022	2023	2024	2024	2025	2026	2027	2028		
Dimension/indicator/measure	Actual	Actual	Actual	Target as per budget	Actual	Forecast				Material Variations	
Obligations											
Asset renewal and upgrade											
O5	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expenses/ Asset depreciation] x100	37.62%	46.40%	35.52%	87.80%	91.77%	176.78%	160.40%	81.90%	47.61%	Asset renewal expenditure in 2024 has increased due to higher capital projects delivery of renewed and upgraded assets. Council will have significant growth in assets in the medium to long term and therefore higher depreciation charge.
Loans and borrowings											
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	7.92%	5.58%	3.55%	N/A	1.79%	4.18%	2.47%	1.56%	0.74%	Council continued to repay borrowings as they mature and has had sufficient cash inflows to achieve this. There will be a need to borrow to fund significant infrastructure investment in future years.
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.08%	1.89%	1.71%	N/A	1.58%	2.03%	1.55%	0.82%	0.76%	Council continued to repay borrowings as they mature and has had sufficient cash inflows to achieve this.
Indebtedness											
O4	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	11.32%	12.29%	13.84%	N/A	16.82%	2.73%	2.00%	1.18%	0.57%	Council's Non Current Liabilities continue to remain stable and at manageable levels.
Operating position											
Adjusted underlying result											
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	19.33%	33.28%	31.27%	N/A	12.76%	37.32%	44.48%	47.79%	47.55%	The reduction in this ratio is due to reduced income in 2024. The Commonwealth Government did not pre-pay financial assistance grants as in prior years.

	2021	2022	2023	2024	2024	2025	2026	2027	2028		
Dimension/indicator/measure	Actual	Actual	Actual	Target as per budget	Actual	Forecast				Material Variations	
Stability											
Rates concentration											
S1	<i>Rates compared to adjusted underlying revenue</i>	56.15%	48.43%	48.35%	67.70%	58.61%	45.95%	42.41%	41.56%	43.48%	Council has and will continue to have a high level of growth in rate revenue.
	[Rate revenue / Adjusted underlying revenue] x100										
Rates effort											
S2	<i>Rates compared to property values</i>	0.34%	0.34%	0.32%	N/A	0.31%	0.32%	0.32%	0.33%	0.33%	This measure has remained stable over recent years. Council is projected to have a high level of growth in rates revenue.
	[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Section 4. Sustainable Capacity Indicators

For the year ended 30 June 2024

	Results				Comment
	2021	2022	2023	2024	
<i>Indicator /measure</i>	Actual	Actual	Actual	Actual	
Population					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,070.71	\$1,090.86	\$1,199.04	\$1,278.68	The movement in this indicator is largely due to an increase in expenditure. Council continue to manage expenditure prudently despite the high level of growth experienced within the municipality.
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$12,113.97	\$12,260.45	\$14,986.40	\$15,918.04	Infrastructure constructed within the municipality has and will continue to increase at levels higher than population growth. The ratio is stable compared to prior year.
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	136.74	135.36	132.46	135.31	Results reflect a significant investment in road infrastructure that has been consistent over the past four years. The population density is reflective of the growth in development within the municipality.
Own-source revenue					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$955.30	\$1,014.47	\$1,085.94	\$1,172.83	Indicator is impacted by fluctuations in populations data and land development within the municipality. The result was impacted by significant development contribution income as a result of this development growth.
Recurrent grants					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$165.71	\$193.45	\$227.10	\$107.91	The reduction in this ratio is due to the fact that the Commonwealth Government did not pre-pay financial assistance grants as in prior years.

		Results				
<i>Indicator /measure</i>	2021	2022	2023	2024	Material Variations	
C6	<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	4.00	The data sourced for this indicator is extracted from the Know Your Council (KYC) LGPRF reporting template. The data is already entered into the template by KYC.
Workforce turnover						
C7	<i>Percentage of staff turnover</i>	14.20%	21.55%	17.12%	13.74%	Staff turnover rate continues to improve. Council continues to invest in talent acquisition and fill vacant positions.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100						

Section 5. Notes to the accounts

For the year ended 30 June 2024

5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> · non-recurrent grants used to fund capital expenditure; and · non-monetary asset contributions; and · contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

12.2 RESPONSE TO NOTICE OF MOTION 875 (CR MAJDLIK) - KOROROIT CREEK ACTIVE TRANSPORT NETWORK

Author: Michael Smith - Coordinator Strategic Transport Planning

Presenter: Sam Romaszko - Director City Futures

PURPOSE OF REPORT

To respond to Notice of Motion 875 (Cr Majdlik) to provide an update on the current and future walking and cycling network along the Kororoit Creek.

RECOMMENDATION:

That Council note the report and the current and future walking and cycling network along Kororoit Creek.

REPORT

1. Executive Summary

At the Scheduled Meeting of Council dated 26 June 2023, Council resolved via Notice of Motion 875 raised by Councillor Majdlik:

That officers prepare a report for a future briefing of councillors identifying the current walking and cycling network along the Kororoit Creek, and potential opportunities to expand this network along the Kororoit Creek corridor throughout the municipality.

This report presents the current walking and cycling network along Kororoit Creek, and the future network identified through existing and developing areas within the City of Melton.

This report provides further information on how projects have been identified through Council's Pedestrian and Cyclist Plan within our existing areas and through Precinct Structure Plans (PSPs) for our growth areas, together with identifying the responsible stakeholders for delivery of future works.

2. Background/Issues

At the Scheduled Meeting of Council dated 26 June 2023, Council resolved to prepare a report outlining the current and future walking and cycling networks along Kororoit Creek.

Kororoit Creek Alignment

Kororoit Creek flows from the Macedon Ranges in the north, through the heart of Melton and across to Brimbank in the east. It passes through or borders eleven suburbs in the City of Melton and its surroundings vary from rural, developing and established urban areas.

The Kororoit Creek surroundings will remain rural north of the Melton Highway, will be developed from the Melton Highway to the edge of Caroline Springs through Precinct Structure Plans and the development process, and is established through Caroline Springs to the eastern boundary of the City of Melton. A map of Kororoit Creek and the suburbs and urban growth boundary within the City of Melton can be seen in **Appendix 1**.

Current Walking and Cycling Network

The existing walking and cycling networks along Kororoit Creek are primarily located in our well-established areas, with ongoing segments gradually being completed alongside new developing areas.

The walking and cycling networks along Kororoit Creek are typically through the provision of shared paths along either side of the creek, including connections to shared paths and footpaths linking our community through our residential areas.

The existing paths along Kororoit Creek can be found in **Appendix 2**.

Council Identified Projects

There are currently gaps within the existing path network that Council has identified through the Pedestrian and Cyclist Plan (PACP). The PACP identified many improvements for pedestrians and cyclists in our established areas, based on 5 assessment criteria:

- Catchment – the number of properties within walking distance of a destination.
- Connectivity – directness of route from origin to destination.
- Crash Safety – real and perceived safety risks.
- Comfort – ease and enjoyment of the journey.
- Community – support from our community.

Some works will be delivered as part of road upgrade projects, such as the future road bridges over the creek at Sinclairs Road and Hopkins Road to provide the missing walking and cycling paths at those locations.

There are several projects identified for funding in Council's long term infrastructure pipeline over Kororoit Creek for pedestrians and cyclists:

Project	Status	Description
Hopkins Road Bridge over Kororoit Creek	Design in progress	A new road bridge including shared paths on both sides of the road, as part of the Hopkins Road corridor project linking Neale Road to Taylors Road.
Sinclairs Road Bridge over Kororoit Creek	Design in progress	Upgrading the existing Sinclairs Road with a new road bridge, including shared path on one side of the road.
Jamieson Link pedestrian bridge	Planning stage	A new pedestrian bridge, linking the community to Caroline Springs Town Centre and providing a link to the future Kororoit Creek Regional Park.
Pedestrian Bridge – Modeina Estate, Burnside	Design in progress	Pedestrian bridge linking the Burnside Heights Recreation Reserve to the community to the south.
Pedestrian Bridge over Kororoit Creek	Planning stage	Pedestrian bridge connecting our community in Burnside to the Isabella Williams Memorial Reserve in Brimbank City Council.

There are further pedestrian bridges and other path connections to the local network identified through the PACP along Kororoit Creek that will continue to be delivered beyond the current 4-year plan.

The existing path network and proposed Council delivered projects in established areas can be seen in **Appendix 3**.

Approved PSP Walking and Cycling Networks

In developing areas, the path network along Kororoit Creek has been indicatively identified through the Precinct Structure Plans. The path networks from the existing Caroline Springs area through to Leakes Road are identified in the active Kororoit and Rockbank North PSPs.

Developers are delivering the paths along the creek at their development sites and linking to our local path networks as they complete new residential communities. The existing and proposed path networks along Kororoit Creek in active PSP areas can be seen in **Appendix 4**.

Future PSP Walking and Cycling Networks

The future Melton East and Warrensbrook PSPs will complete the walking and cycling network along Kororoit Creek to the edge of the Urban Growth Boundary at the Melton Highway. This network is still to be determined but is expected to continue along both sides of Kororoit Creek and include several road and pedestrian bridges across the creek.

The Victorian Planning Authority (VPA) are currently planning the Melton East PSP, with Warrensbrook PSP still unprogrammed for delivery. The indicative path alignment along Kororoit Creek in the future PSPs can be seen in **Appendix 5**.

Ultimate Walking and Cycling Networks along Kororoit Creek

The walking and cycling network along Kororoit Creek will provide a complete connection from the Melton Highway, through the City of Melton and continue into the City of Brimbank to the east on both sides of the creek.

The existing path network is well established in existing areas, with further connections identified through the PACP for Council to deliver, and the future walking and cycling paths in growth areas will be completed by developers as they deliver works within the Urban Growth Boundary.

All existing and proposed walking and cycling networks along Kororoit Creek can be seen in **Appendix 6**.

Council officers have created an interactive online “storymap” to showcase the information provided in this report.

This storymap can be viewed at: <https://www.meltonmaps.space/Nom875/index.html> and is also available on Council’s website.

3. Council and Wellbeing Plan Reference and Policy Reference

The Melton City Council 2021-2025 Council and Wellbeing Plan references:

3. A fast growing, innovative and well-planned City

3.4 An integrated transport network that enables people to move around.

4. Financial Considerations

There are no financial considerations associated with this report. All projects identified for Council delivery will be referred to the Council annual budget process and infrastructure plan for further consideration and timing. Works in growth areas are to be delivered by developers, with Council ensuring planning permits are capturing this infrastructure as part of development works.

5. Consultation/Public Submissions

Community consultation was completed regarding pedestrian and cyclist infrastructure as part of the Pedestrian and Cyclist Plan. Consultation was open from December 2021 to February 2022 through an online interactive map and targeted engagement with community groups and received over 500 responses from our community. Further paths will be completed as part of developments in our growth areas in accordance with approved Precinct Structure Plans.

6. Risk Analysis

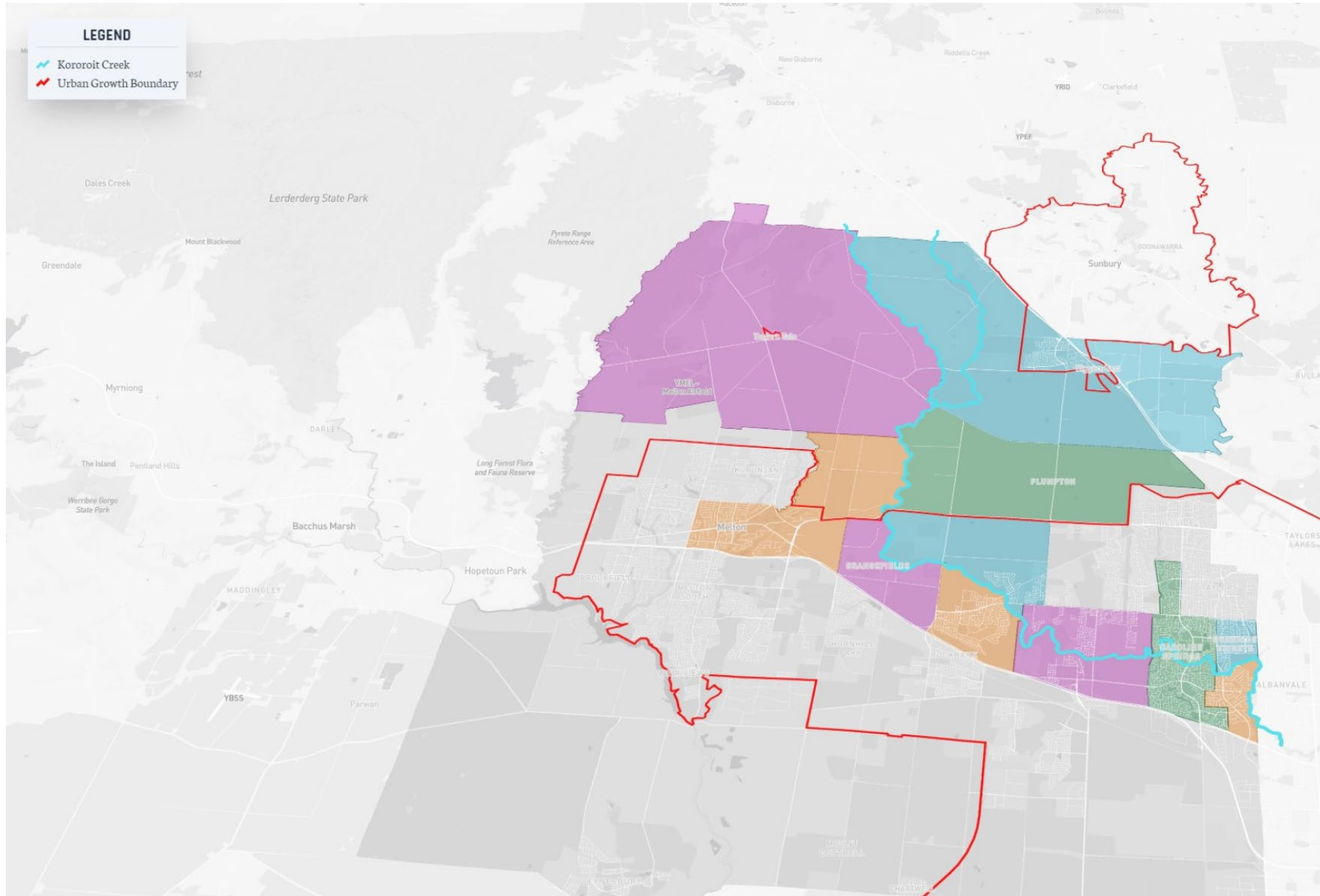
Not applicable.

7. Options

That Council note the report providing information on the current and future walking and cycling network along Kororoit Creek.

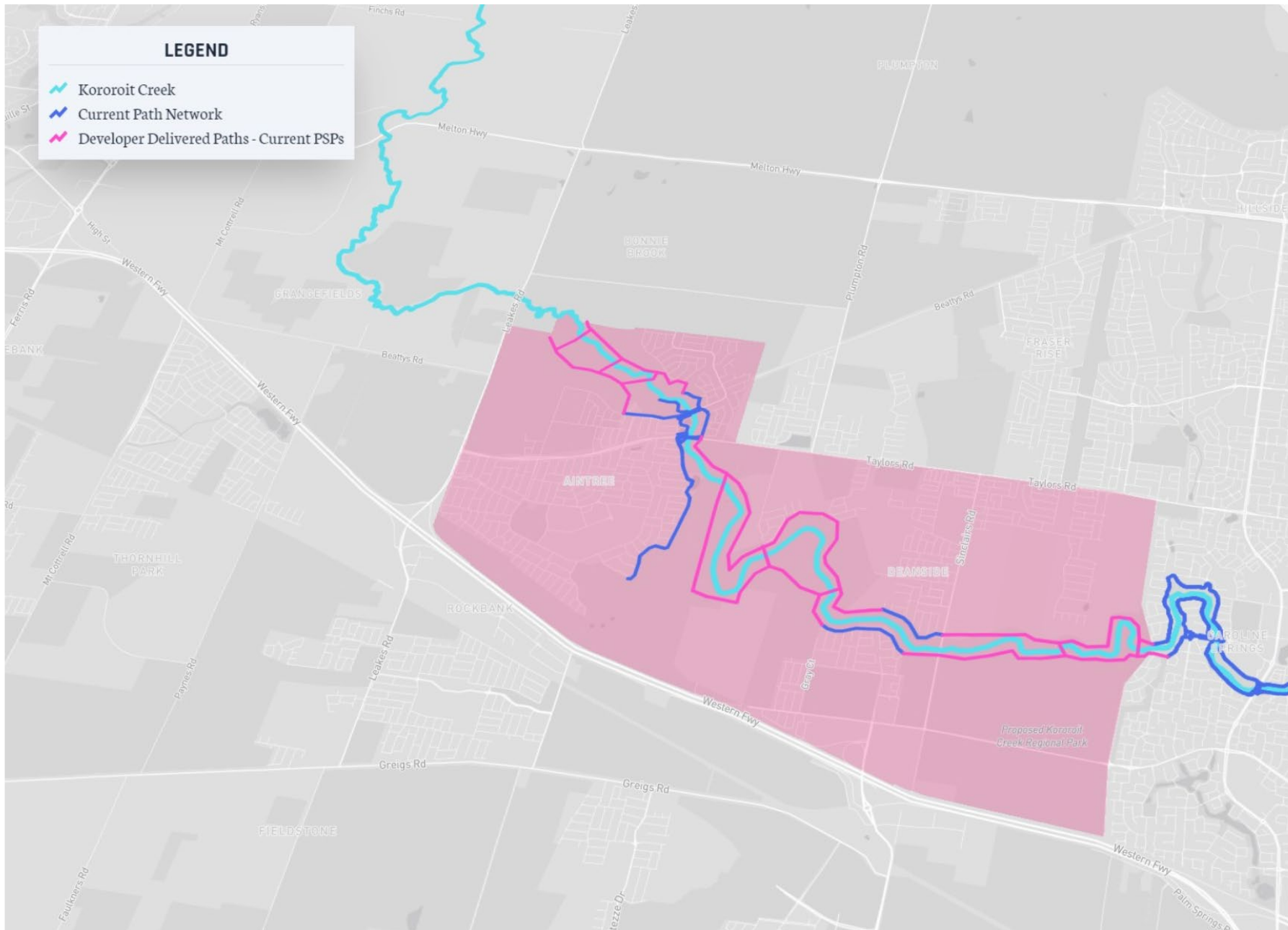
LIST OF APPENDICES

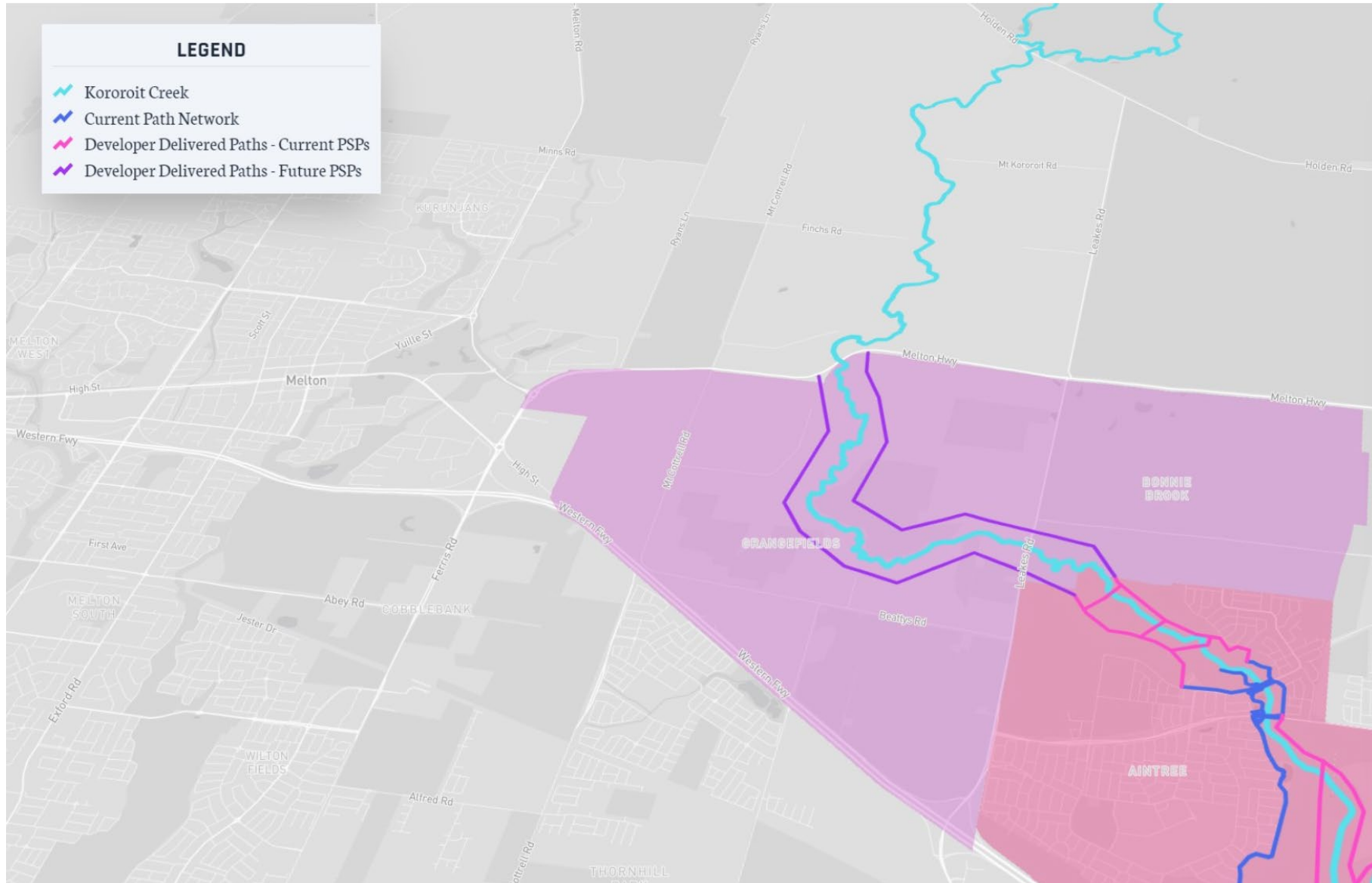
1. Kororoit Creek Alignment - Suburbs and Urban Growth Boundaries
2. Kororoit Creek - Current Walking and Cycling Network
3. Kororoit Creek - Identified Council Projects
4. Kororoit Creek - Approved PSP Walking and Cycling Network
5. Kororoit Creek - Indicative Future PSP Walking and Cycling Network
6. Kororoit Creek - Ultimate Walking and Cycling Network

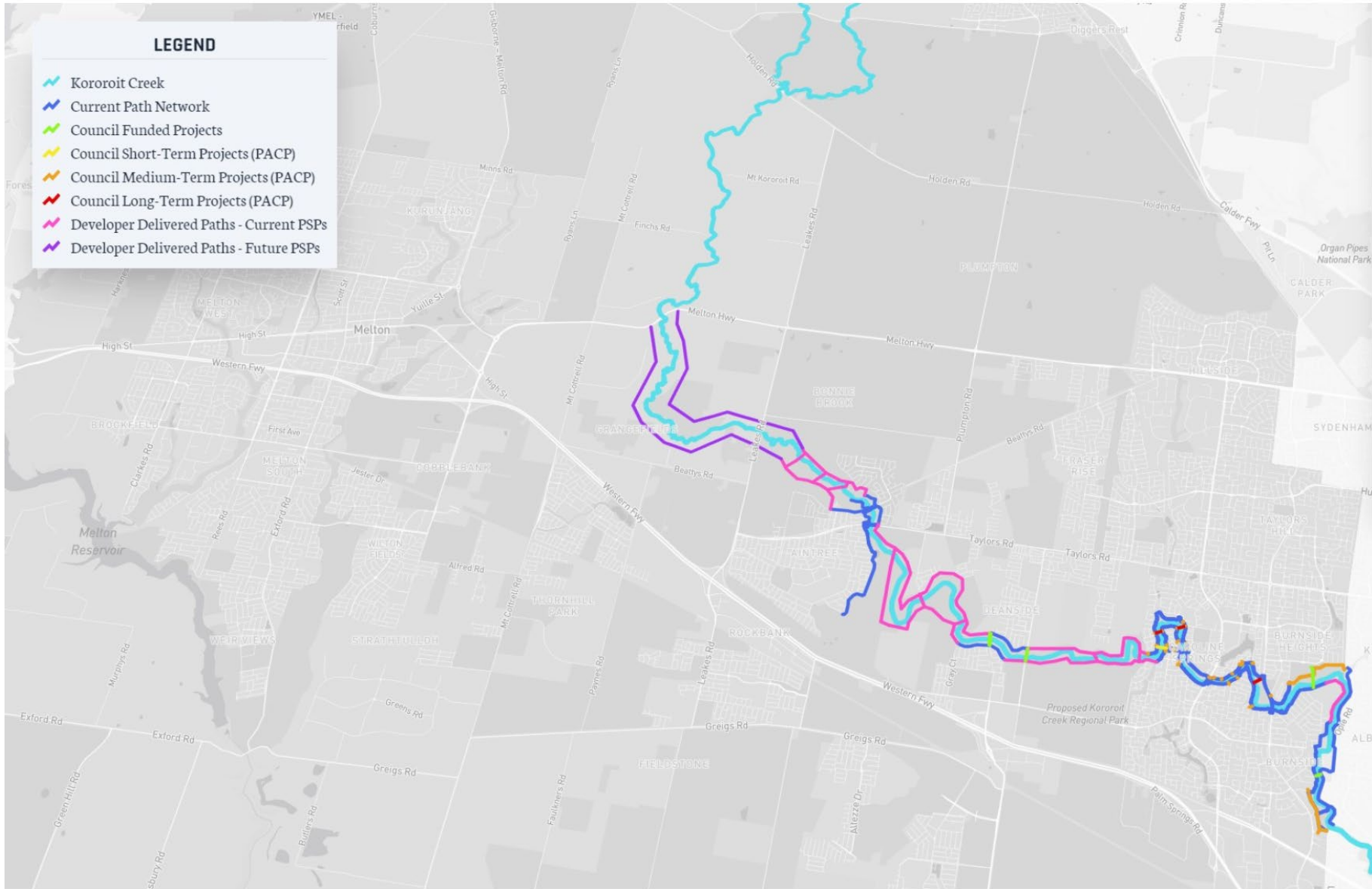












12.3 ALLOCATION OF SPORT AND RECREATION FACILITIES POLICY

Author: Aaron Biscan - Manager Recreation and Facility Activation
Presenter: Troy Scoble - Director City Life

PURPOSE OF REPORT

To present to Council the Allocation of Sport and Recreation Facilities Policy.

RECOMMENDATION:

That Council:

1. Adopt the Allocation of Sport and Recreation Facilities Policy provided as **Appendix 1** to this report.
2. Note the Allocation of Sport and Recreation Facilities Policy includes Council's Fair Access in Sport and Recreation Action Plan provided as **Appendix 2**.
3. Note that once adopted the Policy will be reviewed within eighteen months. This will include a community engagement process to review the implementation of the Policy with outcomes presented to Council's Policy Review Panel by June 2026.

REPORT

1. Executive Summary

The Allocation of Sport and Recreation Facilities Policy has been developed to guide Council's decision making in relation to the fair access to, and use of, sport and recreation facilities in the City of Melton.

The Policy outlines the framework to be used to allocate access to Council owned and managed sport and recreation facilities. The Policy describes which groups are eligible to be offered access to a sport and recreation facility, the priority of access and will help determine the type of occupancy agreement that will be facilitated.

The Policy will provide a consistent, transparent and efficient approach to the allocation and management of Council's sport and recreation facilities.

This report presents the Allocation of Sport and Recreation Facilities Policy for Council consideration (**Appendix 1**).

This Policy and the associated Fair Access in Sport Action Plan (**Appendix 2**) meet the requirements of the Victorian Government Fair Access Policy Roadmap. The Roadmap requires all Victorian local government authorities to have in place a Fair Access Policy (or equivalent) to remain eligible for State Government community sports infrastructure funding.

2. Background/Issues

The Policy

Council has responsibility for 50 sportsgrounds, 37 sports pavilions, 75 tennis and netball courts as well as floodlights, cricket nets and other supporting infrastructure. These facilities are regularly used by over 70 local community sporting clubs on a seasonal or annual basis along with schools, community groups, residents and visitors for a range of sport, active recreation and passive pursuits.

Currently, Council uses a set of guidelines, not an adopted Council policy position to guide decision making in relation to the allocation and use of community sport and recreation facilities in the City of Melton. The intention of the Allocation of Sport and Recreation Facilities Policy (the Policy) is to address this policy gap.

The Policy attached as **Appendix 1** to this report is a key component of the governance pillar within Council's Reserve Management Framework. The governance pillar provides the set of policies and guidelines to support community access to Council managed Sport and Recreation Facilities.

This Policy describes the key principles to guide Council's allocation of sport and recreation facilities across the municipality which includes eligibility for access. The Policy once adopted, will provide Officers with a framework that will be used to allocate access and will support determining the type of occupancy agreement that will govern the usage of the facility. The Policy will provide a consistent, transparent and efficient approach to the allocation and management of Council's sport and recreation facilities.

This Policy will be implemented with the Fair Access in Sport and Recreation Action Plan (Action Plan) attached as Appendix 2 to this report. The Action Plan outlines a range of short, medium and long-term opportunities to ensure consistency with and support the implementation of the Victorian Government Fair Access Policy Roadmap.

Fair Access Policy Roadmap

The Victorian Government Fair Access Policy Roadmap requires all Victorian local government authorities to have in place a Fair Access Policy (or equivalent) to remain eligible for State Government community sports infrastructure funding. The Fair Access Policy Roadmap aims to give women and girls better and fairer access to community sports infrastructure, and improved experiences when participating in community sport. This Policy and the associated Action Plan meet the requirements of the Victorian Government Fair Access Policy Roadmap.

New Club Establishment

Strategies for soccer, football (AFL), cricket, rugby and tennis have recently been completed and endorsed by Council. As one of the fastest growing Local Government Areas in Australia, Council officers receive regular requests to establish new clubs in the City of Melton. Council's sport and recreation strategies provide a framework for the establishment of new clubs in new communities as new facilities are established.

The Policy utilises this strategic framework to provide a consistent approach to respond to requests from the community to form new clubs in the City of Melton. The model supports the sustainable development of existing clubs whilst optimising the use of Council's sport and recreation facilities via shared use with other groups. Officers are aware existing clubs can be anxious with the development of new clubs and the perceived impacts of a reduction in their own membership or access to facilities.

Policy Development

In March 2023, Council began developing, updating and reviewing key policies and strategies within the Reserve Management Framework to enhance support of community access to Council managed community sport and recreation facilities. This strategic work included the development of the Group Fitness and Personal Training - Use of Public Open Space Policy, Sport and Recreation Facility Development Policy, City of Melton Rugby and Tennis Strategies, a review of the Club Development program and conversion of existing Allocation of Sport and Recreation Facilities guidelines into policy. This Policy is the final piece of that strategic work to be completed.

The following approach was undertaken to develop the Policy:

- Benchmarking: other like Local Government policies relating to the allocation of sport and recreation facilities.

- Internal engagement: Officers across relevant business units have been consulted about the allocation and use of sport and recreation facilities to inform the Policy.
- A Gender Impact Assessment (GIA) was completed to ensure compliance with the Gender Equality Act 2020 and the Equality and Respect 2030 Strategy.
- Engagement with the Recreation and Leisure Advisory Committee (RLAC) to provide feedback on a preliminary Draft Policy.
- Engagement with the Victorian Government Office for Women in Sport to ensure consistency with the Fair Access Policy Roadmap.

Communication and Implementation

Once adopted, access to the Policy, and a summary fact sheet will be made available for community awareness via Council's website. A copy of the Policy will be provided to the RLAC and all City of Melton based community sporting clubs.

It is proposed that once adopted, the Policy will be reviewed within eighteen months. This will include a community engagement process to review the implementation of the Policy with the outcomes presented to Council's Policy Review Panel. It is proposed that an annual review of the Fair Access in Sport and Recreation Action Plan take place.

The Policy will be implemented using Operational Guidelines. These will be developed once the Policy has been finalised.

3. Council and Wellbeing Plan Reference and Policy Reference

The Melton City Council 2021-2025 Council and Wellbeing Plan references:

1. A safe City that is socially and culturally connected

1.4 A City that promotes positive public health and wellbeing outcomes to our community.

4. Financial Considerations

To stay eligible for State Government funding opportunities, all Council's require an endorsed Fair Access Policy effective from 1 July 2024. This Policy and the associated Action Plan meet this requirement of the State Government to stay eligible for funding.

5. Consultation/Public Submissions

Councils RLAC were initially presented with information regarding updating this policy as part of the suite of strategic work to be undertaken including the Victorian Government Fair Access Policy Roadmap at the 15 March 2023 meeting. Through early 2024 the policy was drafted and presented again to the RLAC for discussion and feedback at the 5 June 2024 meeting with feedback captured in the RLAC minutes.

The Policy has also been influenced by the outcomes of meetings held with relevant business units across the City Life, City Delivery and City Futures directorates between July 2023 and April 2024. The purpose of these meetings was to ensure that the Policy aligned with relevant Council strategies, policies and procedures.

Regular engagement with The Victorian Government Office for Women in Sport has been ongoing since September 2023 to inform the development of the Draft Policy and alignment with the Victorian Government Fair Access Policy Roadmap.

6. Risk Analysis

The Policy will be implemented to ensure consistency with all elements of the Reserve Management Framework. This includes the Community Facilities Access Policy, Group Fitness and Personal Training – Use of Public Open Space Policy and Lease and Licence Policy and the Sport and Recreation Facility Development Policy. Collectively these policies will provide a robust framework for the allocation, management and use of Council's sport and recreation facilities.

To stay eligible for State Government funding opportunities, all Council's require an endorsed Fair Access Policy. This Policy and the associated Fair Access in Sport Action Plan meet this requirement of the State Government to stay eligible for funding.

7. Options

Council may:

1. Adopt the Allocation of Sport and Recreation Facilities Policy as per the Officer's recommendation.
2. Not adopt the Policy.

LIST OF APPENDICES

1. Allocation of Sport and Recreation Facilities Policy
2. Fair Access in Sport and Recreation Action Plan

Allocation of Sport and Recreation Facilities Policy

Date adopted	<insert date>
Adopted by	Council <insert date>
Review due	18 months from adoption <insert date>
Responsible officer	Manager Recreation and Facility Activation
Records reference	<insert reference>

1. Purpose

The purpose of the Allocation of Sport and Recreation Facilities Policy is to guide Council's decision making in relation to the fair access to, and use of, sport and recreation facilities in the City of Melton.

2. Application And Scope

The Allocation of Sport and Recreation Facilities Policy describes the framework that will be used to allocate access to Council owned and managed sport and recreation facilities. The policy describes which groups are eligible to be offered access to a sport and recreation facility and will help determine the type of occupancy agreement that will be used.

This policy will be implemented consistent with the Community Facilities Access Policy, Group Fitness and Personal Training – Use of Public Open Space Policy and Lease and Licence Policy. This policy will support the implementation of the Victorian Government Fair Access Policy Roadmap which aims to develop a statewide foundation to improve the access to, and use of, community sports infrastructure for women and girls. The policy will be implemented to ensure consistency with the Fair Access in Sport and Recreation Action Plan (Appendix A) which outlines a range of short, medium and long-term opportunities to support the implementation of the Fair Access Policy Roadmap.

3. General Provisions

3.1. Policy Objectives

The objectives of this policy are:

- To provide a consistent and transparent approach to decision making regarding the allocation and use of Council's sport and recreation facilities.
- To ensure fair and equitable access is provided to Council's sport and recreation facilities to meet community needs.
- To provide clarity regarding responsibilities for the allocation and use of Council's sport and recreation facilities.
- To ensure the optimal use and activation of Council's sport and recreation facilities.

3.2. Policy and Principles

3.2.1. General

- Access to sport and recreation facilities requires Council approval. Council aims to optimise the use of sport and recreation facilities through the shared use of its facilities by multiple groups.
- Council will allocate access to its sport and recreation facilities under appropriate occupancy agreements. Occupancy agreements must be fully executed before access to a sport and recreation facility is granted.
- Council may, at its sole discretion, negotiate additional terms and conditions to an agreement as required.
- Council will manage occupancy agreements to ensure the terms and conditions are being adhered to. Where terms and conditions are not being adhered to occupancy agreements may be terminated.

3.2.2. Eligibility Criteria

- To be eligible to be allocated access to a sport and recreation facility, groups must:
 - Be legally incorporated.
 - Carry the level of public liability insurance cover specified in an occupancy agreement.
 - Have met its obligations under previous occupancy agreements with Council.

3.2.3. Allocation of Sport and Recreation Facilities

- The allocation of sport and recreation facilities to eligible groups will be undertaken in accordance with Council's strategic priorities and identified needs. Allocations describe the days and times a club or hirer may occupy a sport and recreation facility and the permitted use.
- Requests for use of Council's sport and recreation facilities must be submitted through a formal application process to the Recreation and Facility Activation business unit. Applicants must provide Council with all information requested to consider the application.
- Existing clubs operating under a licence agreement will be invited by Council to submit an allocation request 2 months prior to the commencement of the forthcoming season. Bookings for all other groups will open once allocations are completed for existing clubs.
- Council will consider all issues associated with a request to access a sport and recreation facility including the availability, suitability, capacity and condition of the facility for the intended use.
- Requests to access sport and recreation facilities will be prioritised as follows:
 - Priority 1 - Seasonal and annual allocations. Priority access will be

- given to 'home club/s' at a facility. In-season competition use will be prioritised over training.
 - Priority 2 - Pre-season training / matches for existing City of Melton based clubs. In-season use will be prioritised over pre-season use.
 - Priority 3 – Other City of Melton based community groups and schools.
 - Priority 4 – All other use including commercial activities such as group fitness and personal training, coaching academies and non-City of Melton based community groups, clubs and schools.
- Where more than one application is received for a particular facility, priority access will be provided to clubs and groups that:
 - can best demonstrate alignment with the Fair Access Policy Roadmap;
 - can demonstrate that they are inclusive by ensuring people living with disability can fully participate as a player, coach, administrator, official, volunteer and spectator; and
 - can demonstrate that they have a higher proportion of players that live in the City of Melton than other applicants.
- Council reserves the right to decline requests to access its sport and recreation facilities. Requests will be declined where:
 - A facility is unavailable or unsuitable for the intended use.
 - A group has a history of substantiated complaints regarding its behaviour.
 - A group has an outstanding debt with Council or is in arrears with an agreed repayment plan.
 - A group has not met its obligations under previous occupancy agreements to maintain the cleanliness or condition of facilities being hired.

3.2.4. New Club Establishment

- The development of new clubs as new facilities are delivered in the City of Melton is the preferred model.
- It is encouraged that new club names reflect the local geographical region the club represents and do so in a way that is welcoming and inclusive of all people.
- Where Council's strategic priorities have identified the need to form a new club, Council will engage with the relevant State Sporting Association to initiate the process of working with the community to form new clubs.
- New clubs established under the model outlined in this policy will be invited by Council to submit an allocation request 2 months prior to the commencement of the forthcoming season.

3.2.5. Occupancy Agreements

- Council will not enter into a licence or lease agreement under this policy for access to sport and recreation facilities for non-sport and recreation related outcomes.

- Licence rather than lease agreements is Council's usual form of agreement for sport and recreation facilities. Facilities operating under a licence will, where practicable, be made available for hire by Council to other user groups.
- Leases will only be considered at facilities which are not shared with another group and where providing exclusive use is in the best interests of the community.
- Leases will be offered for a minimum period of 3 years. A further two 3-year options may be offered at Council's sole discretion.
- Seasonal licences will be offered for a period of 6 months.
- Annual licences will be offered for a minimum period of 12 months. A further two years can be considered as part of the approval process.
- Occupants must provide all information specified within an occupancy agreement as required.
- Clubs must implement the Fair Access Policy Roadmap by ensuring fair and equal access to facilities is provided to women and girls. Council reserves the right to not renew a licence or lease agreement if a club does not meet this requirement.
- A hire agreement will be used when a sport and recreation facility is booked for a one-off or regular activity, event or function. Hire agreements will be used for the following booking types:
 - Commercial activities such as Group Fitness, Personal Training and Coaching Academies.
 - Pre-season training and practice matches that fall outside the term of a licence agreement.
 - League/association finals matches where the 'home' club is not hosting the event or the timing falls outside the term of a licence agreement.
 - Other community groups, clubs and school run activities.
- Fees for hiring sport and recreation facilities will be determined as part of Council's annual budget process and specified in Council's Annual Fees and Charges Schedule.

4. Definitions

Term	Definition
Allocation	The days and times a group may occupy and use a sport and recreation facility.
Commercial operator	A person or business who conducts activities primarily for a commercial benefit.
Council	Refers to the Melton City Council
Club	A community group or association that operates primarily for sport and recreation purposes.

Term	Definition
Fair Access Policy Roadmap	The Fair Access Policy Roadmap aims to develop a statewide foundation to improve the access to, and use of, community sports infrastructure for women and girls.
Hire agreement	A short-term or casual agreement entered into between Council and another party for the use of a sport and recreation facility.
Home club	Priority users of a particular facility due to the facility being designated by Council as the clubs headquarters or home.
Lease	An agreement entered into between Council and another party for the exclusive use of a nominated Council sport and recreation facility for an agreed period.
Licence	An agreement entered into between Council and another party for non-exclusive use of a nominated Council sport and recreation facility for an agreed period.
Occupancy agreement	A licence, lease or hire agreement entered into between Council and another party for use of a nominated sport and recreation facility for an agreed period.
Pre-season	The period prior to the start of the official winter or summer season.
Season(al)	The standard 6-month period seasonal sporting competitions operate within being April to September (winter season) and October to March (summer season).

5. Related Documents

Name	Location
Community Facilities Access Policy	Available via Council's website
Fair Access in Sport and Recreation Action Plan	Appendix A
Group Fitness and Personal Training – Use of Public Open Space Policy	Available via Council's website
Lease and Licence Policy	Available via Council's website
Fair Access Policy Roadmap	changeourgame.vic.gov.au

The master document is controlled electronically. Printed copies of this document are not controlled. Document users are responsible for ensuring printed copies are valid prior to use. If printing, please think about whether you need to print in colour.

APPENDIX A: FAIR ACCESS IN SPORT AND RECREATION ACTION PLAN 2024

NO.	ACTION	PRIORITY	WHO
PRINCIPLE 1: COMMUNITY SPORTS INFRASTRUCTURE AND ENVIRONMENTS ARE GENUINELY WELCOMING, SAFE, AND INCLUSIVE			
1.1	Partner with education providers and associations to deliver fair access in sport specific programs to City of Melton based sporting clubs.	Short	Council, Associations, Clubs, Education Providers
1.2	Plan and deliver sport and recreation facilities that are genuinely welcoming, safe, and inclusive.	Ongoing	Council, Associations, Clubs, Funding Partners
1.3	Implement gender sensitive design principles and recommendations from Gender Impact Assessments into sport and recreation infrastructure projects.	Ongoing	Council
PRINCIPLE 2: WOMEN AND GIRLS CAN FULLY PARTICIPATE IN ALL ASPECTS OF COMMUNITY SPORT AND ACTIVE RECREATION, INCLUDING AS A PLAYER, COACH, ADMINISTRATOR, OFFICIAL, VOLUNTEER AND SPECTATOR			
2.1	Prepare and implement sport specific strategies that investigate the specific opportunities for women and girls to participate in all aspects of community sport and active recreation.	Ongoing	Council, Associations, Clubs
2.2	Partner with clubs and associations to promote opportunities and deliver programs for women and girls to play community sport and to be active.	Short	Council, Associations, Clubs
2.3	Partner with clubs and associations to provide opportunities and training to engage more women in club operations and development.	Medium	Council, Associations, Clubs
PRINCIPLE 3: WOMEN AND GIRLS WILL HAVE EQUITABLE ACCESS TO AND USE OF COMMUNITY SPORT INFRASTRUCTURE			
3.1	Implement the Allocation of Sport and Recreation Facilities Policy.	Short	Council, Clubs, Associations
3.2	Require clubs and associations to demonstrate that women and girls are provided with equitable access to and use of facilities.	Medium	Council, Associations, Clubs

PRINCIPLE 4: WOMEN AND GIRLS SHOULD BE EQUITABLY REPRESENTED IN LEADERSHIP AND GOVERNANCE ROLES			
4.1	Promote greater gender balance on club committees by encouraging clubs and associations to aim for at least 40% female representation.	Long	Council, Associations, Clubs
4.2	Partner with clubs and associations to deliver training programs to support women to undertake administration and leadership roles in sport and recreation clubs.	Medium	Council, Associations, Clubs
PRINCIPLE 5: ENCOURAGE AND SUPPORT ALL USER GROUPS WHO ACCESS AND USE COMMUNITY SPORT INFRASTRUCTURE TO UNDERSTAND, ADOPT AND IMPLEMENT GENDER EQUITABLE ACCESS AND USE PRACTICES			
5.1	Partner with clubs and associations to deliver training programs for coaches and volunteers on creating welcoming, safe, and inclusive environments for women and girls.	Ongoing	Council, Associations, Clubs
5.2	Work with clubs, associations, and other stakeholders to ensure appropriate and consistent processes are in place to address bullying, discrimination and harassment in community sport and recreation.	Medium	Council, Associations, Clubs
PRINCIPLE 6: PRIORITISE ACCESS, USE AND SUPPORT TO ALL USER GROUPS WHO DEMONSTRATE AN ONGOING COMMITMENT TO GENDER EQUITABLE ACCESS AND USE OF ALLOCATED COMMUNITY SPORT INFRASTRUCTURE			
6.1	Promote and celebrate the achievements of women and girls in sport and the achievements of sporting clubs in creating welcoming, safe, and inclusive environments.	Ongoing	Council, Associations, Clubs
6.2	Promote and celebrate the achievements of sporting clubs and associations in creating welcoming, safe, and inclusive environments for women and girls.	Ongoing	Council, Associations, Clubs

12.4 AUDIT AND RISK COMMITTEE MATTERS

Author: Bernadette Bensley - Governance Officer
Presenter: Emily Keogh - Head of Governance

PURPOSE OF REPORT

To present to Council the unconfirmed minutes (minutes) of the Audit and Risk Committee meeting held on 12 September 2024.

RECOMMENDATION:

That Council:

1. Note the unconfirmed minutes of the Audit and Risk Committee meeting held 12 September 2024, provided as **Appendix 1** to this report.
 2. Adopt the recommendations endorsed or approved by the Audit and Risk Committee, arising within the minutes.
 3. Note the report from the Chairperson of the Audit and Risk Committee, for the period June 2024 - September 2024, provided as **Appendix 2** to this report.
-

REPORT

1. Executive Summary

The minutes of the Audit and Risk Committee meeting held on 12 September 2024 are appended to this report as **Appendix 1**.

The minutes contain recommendations for the consideration of Council.

The Chairperson of the Audit and Risk Committee, Mr Jeff Rigby, has provided a biannual report on the activities of the Committee to cover the period June 2024 – September 2024, provided as **Appendix 2**.

2. Background/Issues

The Audit and Risk Committee is established by the Council pursuant to Section 53 of the *Local Government Act 2020* ('the Act').

The primary function and responsibility of the Audit and Risk Committee is to monitor the compliance of Council policies and procedures with the Act including any regulations, and chiefly, the overarching governance principles, Council's financial and performance reporting, Council's risk management and fraud prevention systems and controls and oversee the internal and external audit function.

The Audit and Risk Committee makes recommendations to Council for its consideration. These recommendations are set out in the minutes attached at **Appendix 1** for matters that the Audit and Risk Committee considered.

Additionally, section 54 (4) of the *Local Government Act 2020* requires a biannual report that describes the activities of the Audit and Risk Committee, including its findings and recommendations to be presented to Council.

The attached report (**Appendix 2**) provided by the Chairperson of the Audit and Risk Committee, satisfies the requirements for the presentation of biannual reports to Council.

3. Council and Wellbeing Plan Reference and Policy Reference

The Melton City Council 2021-2025 Council and Wellbeing Plan references:

6. A high performing organisation that demonstrates civic leadership and organisational excellence

6.3 An organisation that demonstrates excellence in civic leadership and governance.

4. Financial Considerations

Any and all financial considerations are set out within the reports and minutes of the Audit and Risk Committee.

5. Consultation/Public Submissions

Not applicable.

6. Risk Analysis

A risk analysis is contained within each report to the Audit and Risk Committee.

Risks identified by the Audit and Risk Committee and recommendations in relation to same should be carefully considered by Council as these represent an independent and forensic appraisal of the issues.

7. Options

Council has the option to provide any feedback or direction to the Audit and Risk Committee it feels is appropriate on the discharge of the Committee's responsibilities under the Audit and Risk Committee Charter.

The Audit and Risk Committee is not a delegated committee and operates in an advisory capacity to Council, therefore Council has the discretion to accept, reject or amend the Committee's recommendations.

LIST OF APPENDICES

1. Unconfirmed Minutes of the Audit and Risk Committee Meeting held 12 September 2024
2. Chairperson's Biannual Report to Council - June 2024 to September 2024



MELTON CITY COUNCIL

**Minutes of the
Special Audit and Risk Committee Meeting
of the Melton City Council**

12 September 2024

MINUTES OF THE SPECIAL AUDIT AND RISK COMMITTEE MEETING 12 SEPTEMBER
2024

Prior to the formal commencement of the meeting, the committee members held an in camera conversation with Council's External Auditor.

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	To report to the Audit and Risk Committee the Draft External Audit Management Letter findings and External Audit Closing Report from the 2023/24 financial statements and performance report audit.	
5.2	DRAFT ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE STATEMENT 30 JUNE 2024	5
	To present to the Audit and Risk Committee the draft Annual Financial Statements and Performance Statement for 30 June 2024, Management Representation Letter and Governance and Management Checklist in accordance with section 99(2) of the <i>Local Government Act 2020</i> .	
5.3	FINANCE REPORT - PERIOD ENDED 30 JUNE 2024	6
	To present the 2023/24 Finance Report for the twelve months ended 30 June 2024.	
5.4	AUDIT AND RISK COMMITTEE BIENNIAL REPORT TO COUNCIL	6
	To present a working draft of the Biannual Report to Council for review and feedback.	
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	To report to the Audit and Risk Committee on the performance of the external auditor.	
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MINUTES OF THE SPECIAL AUDIT AND RISK COMMITTEE MEETING 12 SEPTEMBER
2024

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SPECIAL AUDIT AND RISK COMMITTEE MEETING

12 SEPTEMBER 2024

MELTON CITY COUNCIL

MINUTES OF THE SPECIAL AUDIT AND RISK COMMITTEE
 MEETING OF THE MELTON CITY COUNCIL HELD IN THE MELTON
 CIVIC CENTRE, 232 HIGH STREET, MELTON ON
 12 SEPTEMBER 2024 AT 12.00PM

Members: Jeff Rigby (Chairperson)
 John Watson
 Bruce Potgieter
 Mayor Majdlik
 Cr Shannon

Officers:	Roslyn Wai	Chief Executive Officer
	Peter Leersen	Director Organisational Performance
	Emily Keogh	Head of Governance
	Renee Hodgson	Senior Coordinator Governance
	Natalie Marino	Manager Finance
	Rindayi Matienga	Coordinator Accounting Services

Guests: Michael Gummery External Auditor (HLB Mann Judd)

**1. WELCOME / ELECTION OF CHAIR (IF REQUIRED)/
 ACKNOWLEDGEMENT OF COUNTRY**

The Chairperson opened the meeting at 12.35pm with an Acknowledgement of Country and welcomed the Committee members and attendees.

2. APOLOGIES AND LEAVE OF ABSENCE

Nil.

3. DECLARATIONS

3.1 DECLARATIONS OF INTEREST AND/OR CONFLICT OF INTEREST

There were no declarations made by Committee members or attendees.

SPECIAL AUDIT AND RISK COMMITTEE MEETING

12 SEPTEMBER 2024

3.2 INTEGRITY DECLARATIONS

Council's Chief Executive Officer and previously Acting Head of Governance declared there was no new or impending legal action against Council or instances of statutory breach or fraud that had come to their attention since the last meeting of the Committee and that are not prevented from being disclosed to the Committee by statutory or integrity agency procedural requirements.

Council's External Auditor, Michael Gummery declared no obstruction to the work of external audit.

4. MINUTES OF PREVIOUS MEETINGS

The Audit and Risk Committee ratified the out-of-session confirmation of the Minutes of the Audit and Risk Committee Meeting held on 8 August 2024 and noted by Council at the Scheduled Meeting held on 26 August 2024.

5. PRESENTATION OF REPORTS**5.1 DRAFT EXTERNAL AUDIT MANAGEMENT LETTER 2023/24**

Author: Natalie Marino - Manager Finance

Presenter: Peter Leersen - Director Organisational Performance

The Audit and Risk Committee noted the contents of the Draft External Audit Management Letter and External Audit Closing Report 2023/24. (**Appendix 1 and 2**).

Action: Provide the signed documents to Committee members once issued.

**5.2 DRAFT ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE STATEMENT
30 JUNE 2024**

Author: Natalie Marino - Manager Finance

Presenter: Peter Leersen - Director Organisational Performance

The Committee discussed the updated draft Annual Financial Statements and Performance Statement and provided recommended amendments for clarity.

The Audit and Risk Committee endorsed Council to:

1. Approve, in principle, the updated draft Annual Financial Statements and Performance Statement for 30 June 2024 at **Appendix 1 and 2** with recommended minor changes.
2. Note Management Representation Letter and Governance and Management Checklist at **Appendix 3 and 4**.
3. Authorise the Mayor, Cr Kathy Majdlik and Deputy Mayor, Cr Steven Abboushi to approve the Statements in their final form after any changes recommended, or agreed, by the Auditor have been made, pursuant to sections 99(2) and 99(3) of the *Local Government Act 2020*.

And further that, subject to completion of all audit procedures and any adjustments arising from any matters identified by members of the Audit and Risk Committee (the Committee) prior to or during the meeting, the Committee:

SPECIAL AUDIT AND RISK COMMITTEE MEETING**12 SEPTEMBER 2024**

1. Note the Draft VAGO Closing Report and Draft Management Letter for the financial year ending 30 June 2024
2. Note the report by the Director Organisational Performance, the Governance and Management Checklist, the Draft Management Representation Letter, the Draft Consolidated Annual Financial Report 2023/2024, and the Draft Performance Statement 2023/2024 and noting the verbal assurance by the External Auditor that they are not aware of any matters that would prevent the Committee providing its advice as follows to the Council.
3. Recommends that Council record its approval 'in principle' to the draft Consolidated Annual Financial Report and draft Performance Statement (the statements) for the year ended 30 June 2024; and that subject to the review of the draft statements, Council authorise the:
 - a. Chief Executive Officer, the Mayor and a Councillor to certify the final version of the statements for the year ended 30 June 2024;
 - b. Chief Executive Officer and Mayor to sign the Governance and Management Check List;
 - c. Chief Executive Officer to send the statements to the Auditor-General;
 - d. Chief Financial Officer to implement any non-material changes to the statement as recommended by the Auditor-General and provide a summary of any such changes to the Audit and Risk Committee at its next meeting; and
 - e. Chief Financial Officer to make any material changes requested by VAGO after discussion with the Chair of the Committee and that they be reported to Council as soon as possible.

Actions:

Management to follow up with working party for the performance measures in the Performance Statement and to discuss relevance of the unrestricted cash L2 measure (double check reference with Peter)

Management to provide the Committee with an update on the carry forward actions when the memorandum for the 2024/25 external audit is received in early 2025.

Include the VAGO audit actions in the Internal Audit Actions Recommendations report.

The Chair acknowledged and thanked the external auditor and management for the excellent work undertaken and extended appreciation to Committee members for their contributions.

5.3 FINANCE REPORT - PERIOD ENDED 30 JUNE 2024

Author: Natalie Marino - Manager Finance
Presenter: Peter Leersen - Director Organisational Performance

The Audit and Risk Committee noted the Finance Report for the period ended 30 June 2024.

SPECIAL AUDIT AND RISK COMMITTEE MEETING

12 SEPTEMBER 2024

5.4 AUDIT AND RISK COMMITTEE BIENNIAL REPORT TO COUNCIL

Author: Jeff Rigby - Audit and Risk Committee Chairperson
Presenter: Jeff Rigby - Audit and Risk Committee Chairperson

The Audit and Risk Committee:

1. Reviewed the working draft of the Biennial Report to Council (report); and
 2. Endorsed the Biennial Report for presentation to Council.
-

5.5 EXTERNAL AUDITOR PERFORMANCE 2023/24

Author: Natalie Marino - Manager Finance
Presenter: Peter Leersen - Director Organisational Performance

The Audit and Risk Committee noted the verbal report provided on the performance of the External Auditor for the 2023/24 audit.

Action: The Chair to confirm with the external auditor continuity of auditing staff for the next audit when the audit memorandum is presented to the Committee.

6. OTHER MATTERS RAISED BY THE COMMITTEE

The Committee discussed asset re-valuation methods and the unit cost rates that are applied.

Management advised that Moore Australia, through Wilson Tang, has been commissioned by management to conduct an assessment of asset management performance using the Victorian Public Sector Asset Management Accountability Framework. The outcomes will be presented to the Audit and Risk Committee at a future meeting.

The Committee suggested that management may consider adjusting the comments for Measures MC4 and MC5 provided in the Performance Statement relating to low staffing numbers and staffing levels within the industry.

7. NEXT MEETING

A Placeholder is in place for the morning of Thursday 5 December 2024 at Melton Civic Centre, with a starting time to be confirmed.

8. CLOSE OF BUSINESS

The Chair, on behalf of the Independent External Members acknowledged the contributions of the two Councillor Members to the activities of the Committee and extended best wishes to all Councillors for their future endeavours.

SPECIAL AUDIT AND RISK COMMITTEE MEETING

12 SEPTEMBER 2024

Mayor Majdlik thanked the Chair, Independent External Members and Management.

Councillor Shannon reiterated Mayor Majdlik's comments.

John Watson praised the level of involvement of the Councillor Members in the operations of the Committee.

The meeting closed at 2.03pm.

Confirmed

Dated this

.....CHAIRPERSON

Audit and Risk Committee

BIANNUAL REPORT

June 2024 – September 2024



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1. Background and Context

Melton City Council has established an Audit and Risk Committee (Committee) pursuant to Section 53 of the *Local Government Act 2020* (the Act) to support the Council in performing its functions and discharging its oversight responsibilities in ensuring good government of Council's municipal district.

The Committee achieves this by monitoring, reviewing, endorsing, and advising on the matters set out in its Charter prepared and approved by Council under Section 54 of the Act. The Committee's Charter was adopted by Council on 28 August 2023, and the Charter requires the Committee to review it at least biennially and recommend changes to Council.

The Committee is an advisory committee to Council, and it has no delegated authority from Council. It does have authority and the ability to perform activities prescribed in its Charter, and in particular the Committee can:

1. require the attendance of senior Council Officers at its meetings, as appropriate;
2. have unrestricted access to members of the management team and relevant information;
3. review the process for reporting pursuant to the *Public Interest Disclosures Act 2012*;
4. oversee the performance of the external auditor and the appointment and performance of the internal auditor;
5. meet in private without the attendance of management, including meeting in camera with auditors; and
6. request necessary financial resources to be provided to enable the Committee to receive any necessary legal, accounting, or other professional advice.

The duties and responsibilities of the Committee are set down in the Charter and cover:

1. external audit;
2. internal audit;
3. financial and performance reporting;
4. internal control environment;
5. risk management;
6. fraud prevention systems and controls; and
7. compliance management.

The Act requires the appointment of a majority of external members who are not Councillors to the Committee. This provides a measure of independence and enables the Committee to provide advice to Council on matters related to its responsibilities utilising broader skills and experience than might otherwise be the case.

The Committee reports twice per annum to Council on the Committee's activities and how the Committee has discharged its responsibilities under the Charter for the reporting period. One such report is required following the meeting when the Annual Financial Report and the Annual Performance Statement have been considered and recommended to Council for approval.

2. Committee Meetings Held During the Reporting Period

Since the last Biannual Report to Council, the Committee has met on two occasions in person at Council's office in Melton and held a special meeting on one occasion via video conference, with meetings held on:

1. 4 June 2024 (video conference);
2. 8 August 2024 (in person);
3. 12 September 2024 (in person).

The Internal Auditor attended the meeting of the Committee held in 8 August 2024 and the External Auditor attended the Committee meeting held in September 2024. Auditor attendance was not required for the special meeting.

All Committee resolutions were recorded in the minutes of each meeting, with the minutes then presented to Council for consideration at a subsequent scheduled meeting of the Council. To ensure the timely presentation of Committee meeting minutes to Council, the Committee received post-meeting the unconfirmed meeting minutes, as approved by the Chairperson for circulation to Committee members, with members confirming the minutes via circular resolution out-of-session. Any out-of-session resolution is then ratified at the next Committee meeting.

3. Committee Membership for the Reporting Period

The Committee membership is detailed in the following table:

Committee Member	Position Held	Meeting Attendance Attended/Eligible
Jeff Rigby	Chairperson	3/3
John Watson	Independent External Member	3/3
Bruce Potgieter	Independent External Member	3/3
Cr Kathy Majdlik	Mayor and Councillor Member	3/3
Cr Julie Shannon	Councillor Member	3/3

4. Committee Work Plan for 2024

As reported in May 2024, the Committee confirmed a work plan for the 2024 year at the November 2023 Committee meeting for Council approval. The work plan sets out the Charter requirements that the Committee must meet and by when during the 2024 year, and all work plan requirements have been met for the year to date, with the exception of the following items, which have been deferred from the February 2024 Audit and Risk Committee meeting and will now be presented to the Committee meeting scheduled for November 2024 and then reported in the next Biannual Report.

1. A review of the Council's Risk Management Framework and status report of the risk register and actions being taken to manage identified strategic risks to ensure material risks are being dealt with appropriately.
2. A review of the status of key risk documents, including plans, policies and registers.

The deferral of these items was necessary until Council appointed a new Coordinator Risk and Compliance, and their initial focus has been to deliver a Compliance Management Framework and a Risk and Compliance Roadmap detailing a program of works over the coming two years to uplift risk and compliance maturity (refer also to Section 5.7 of this report).

5. Committee Duties and Responsibilities – Report on Committee Activities

5.1. External Audit – Financial and Performance Reporting

The Act designates the Victorian Auditor-General's Office (VAGO) as responsible for the external audit functions of local government in Victoria. VAGO has contracted the undertaking of Council's external audit to HLB Mann Judd for a three-year period concluding with the external audit for the 2025/26 reporting period, and with an option to extend the appointment of HLB Mann Judd for a further one year.

As previously reported in May 2024, the External Auditor presented an audit strategy memo for the 2023/24 reporting year to the Committee for noting at the February 2024 meeting detailing the key risks and areas of audit focus, along with the schedule for audit activities. The Committee then received a progress briefing from the External Auditor on external audit findings and the progress of audit activities at the meeting held in May 2024.

VAGO's report on the Victorian local government sector titled *Results of 2022/23 Audits: Local Government* and tabled in March 2024 in the Victorian Parliament presented sector-level recommendations applicable to the Audit and Risk Committees of audited entities and relating specifically to the oversight by the Committees of accounting for, and assessing the fair value of, the property, infrastructure assets, plant and equipment of their audited entity.

To address these new VAGO requirements as part of the external audit for 2023/24, the Committee received out of session in June 2024 an information paper for the Committee's review that detailed the approach for estimating fair value of each asset class and the subsequent movements in fair value for each class since 30 June 2023. The Committee ratified its out-of-session consideration of this information by noting the information at the August 2024 Committee meeting. This ratification confirms the completion of the preparatory action as recommended by VAGO in readiness for the Committee then receiving and considering the reasonableness of asset valuations and the materiality of any subsequent movements in the fair value of any asset class when the audited financial statements are presented. The Committee considers that the process that it has followed complies with the specific recommendations set down in VAGO's report to the Victorian Parliament.

As a further preparatory step ahead of receiving the audited financial statements for 2023/24, the Committee was presented with the proposed "shell statements" of the 2023/24 Annual Financial Report out of session in June 2024 for the Committee's review. The Committee ratified its out-of-session consideration of this information by noting the proposed form of the Annual Financial Report and component financial statements at the August 2024 Committee meeting.

The Annual Financial Report comprising of audit financial statements and an audited Performance Statement for the 2023/24 reporting year were presented for the Committee's consideration at the meeting held on 12 September 2024. The External Auditor presented a draft Final Management Letter and draft Closing Report at the meeting, and the key matters arising from the external audit were discussed with the Committee. The Committee had previously received and noted the interim audit findings detailed in the External Auditor's Interim Management Letter at the Committee's special meeting held on 4 June 2024.

Taking into consideration the advice received from the External Auditor and Council officers, and after due enquiry by the Committee, the Committee resolved, subject to completion of all audit procedures and any arising adjustments, to:

1. note the audited financial statements of the Annual Financial Report (the Report) and Performance Statement (the Statement) for the year ended 30 June 2024;

2. recommend that Council record its approval 'in principle' to the Report and Statement, and that Council authorise:
 - a. the Chief Executive Officer, the Mayor and another Councillor to certify the final version of the Report and Statement;
 - b. submit the Report and Statement to the Victorian Auditor-General;
 - c. the Chief Financial Officer to make any non-material changes to the Report and/or Statement arising from completion of the external audit; and
 - d. the Chief Financial Officer to make any material changes to the Report and/or Statement arising from completion of the external audit after discussion with Committee's Chairperson and reporting the changes to Council.

The Committee will also receive the Final Management Letter and Closing Report prepared by the External Auditor and the Management Representation Letter provided by management to the External Auditor upon completion of the external audit.

The Committee has acknowledged the work by officers of Council and the External Auditor in preparing and auditing the 2023/24 financial statements and providing the audited Report and Statement to the Committee.

5.2. Internal Audit

Council's internal audit services provider, Moore Australia, is appointed as Internal Auditor until the end of 2025, and a comprehensive Internal Audit Plan covering the forward years of 2024 and 2025 was presented to and adopted by the Committee in February 2024. Progress against the adopted plan is monitored at each Committee meeting, and the plan will be further reviewed at a future Committee meeting to confirm the scheduling of internal audits that are proposed to be conducted in 2025.

a) Internal Audit Scopes

As detailed in the adopted Internal Audit Plan for 2024 to 2025, during the reporting period the following internal audit scopes were received, reviewed and endorsed by the Committee for Council approval to proceed, with the internal audits to be scheduled for completion in 2024.

1. Diversity, Equality and Inclusion.
2. Fleet Management.
3. Recruitment.

b) Internal Audit Reports

During the reporting period, the Internal Auditor conducted the following internal audits and reports were presented to the Committee detailing the key findings and risk considerations, recommended actions, and management responses with timeframes for implementation.

Internal Audit Report	Overall Control Rating ¹	Key Findings (No.)	Recommendations (No.) ²
Council Safety (incl. Psychological Safety)	Fair	12	43
Social Media Review	Fair	7	17

¹ Refer to Appendix A for further details on Overall Control Rating that guides the internal audit rating process

² Specifically excludes Improvement Opportunities provided by Internal Auditor.

The Committee received and accepted the two reports presented by the Internal Auditor and recommended Council adopt the recommendations and management undertake the agreed actions provided in the reports.

c) *Progress on Implementation of Internal Audit Recommendations*

The implementation of recommendations and agreed actions arising from internal audit reports presented to the Committee in this reporting period, along with recommendations still in progress and carried forward from the previous reporting period, are monitored by the Committee at each meeting. The following table tracks the overall progress made with implementation of audit recommendations during the reporting period.

Meeting Date of Report	Reported Item	Recommendations (No.)
May 2024	Recommendations Open at Meeting	135
August 2024	Recommendations Added Since Last Meeting	+21
	Recommendations Completed Since Last Meeting	-27
	Recommendations Open at Meeting	129

The following table summarises the number of open internal audit recommendations at the start and the end of the reporting period.

	Critical	High	Medium	Low	Not Rated	Total
Recommendations Open at May 2024	5	69	51	7	3	135
Recommendations Open at August 2024	5	60	51	13	0	129
Change	0	-9	0	+6	-3	-6

There are five internal audits in the adopted Internal Audit Plan that are scheduled for completion by the end of 2024 and a further 11 internal audits are planned for completion in 2025.

5.3. Financial Reporting

In conjunction with the presentation of the audited financial statements for the 2023/24 reporting year, the Committee received and reviewed the Financial Report for the quarter ending 30 June 2024 at the meeting held on 12 September 2024. The Committee received the Quarterly Investment Holding Report for the quarter ending 30 June 2024 at the meeting held on 8 August 2024, with the Committee noting the progressive investing by Council of funds held in the Victorian Funds Management Corporation under investment objectives in Council's recently revised Investment Policy Statement and also the investment returns achieved since investing commenced in April 2024.

At the meeting held on 8 August 2024, the Committee received, reviewed and noted a report on Council's updated 10-Year Financial Plan covering the period 2025-2034, with the report outlining how Council will utilise forecasts of available funds over that period to deliver services, programs and infrastructure, while assessing Council's financial sustainability over the long term based on a number of key financial sustainability measures.

5.4. Internal Controls

In addition to receiving internal audit reports, the Committee has oversight in relation to internal control measures and, over the reporting period, the Committee continued to receive and consider management reports as detailed below.

1. An update report on the review of the adequacy and effectiveness of key Finance and Accounting policies, systems and controls and their consistency with Local Government principles, with the

Committee noting progress and outcomes from the policy reviews and management actions to ensure policies are up to date and changes to policies are embedded in Council's processes and practices.

2. A confidential quarterly Governance Report that included mandatory personal interests disclosures and individual returns timeframe compliance, legislative compliance assurance and reported non-compliances, privacy and data breach notifications, Freedom of Information applications, and matters of fraud, corruption and integrity, including integrity agency forums, credit card use, conflicts of interest and contract variations.
3. The report on the management and operations of the Melton Public Cemetery for the 2023-24 year, as the Melton Cemetery Trust is an entity governed and controlled by Council. The Committee noted the matters reported that included national recognition of a recently established and culturally significant reflective space within the grounds of the cemetery, master plan implementation, site maintenance activities, and annual financial reporting to the Victorian Department of Health. The Committee was also informed on the implementation of risk management and asset recordkeeping recommendations to address reported findings in an audit conducted by the Department in 2022.

5.5. Risk Management

Oversight of risk management continued to be a primary focus of the Committee over the reporting period, with the Committee considering information from management and advising Council on a number of key matters as detailed below.

1. The Committee's special meeting in June 2024 included a comprehensive briefing on the enterprise-wide Technology Change Program (TCP) being developed that will deliver an architecture model under Council's Information & Communications Technology strategy. The briefing focused specifically on the TCP Business Case Horizon 1, an assurance report for the business case provided by an independent reviewer (and management's responses to the reviewer's recommendations), tender and contract considerations for an Enterprise Resource Planning (ERP) platform and the project governance and delivery team structures. The Committee recommended that Council endorse TCP updates being provided as a standing reporting item at future Committee meetings.
2. The Committee continues to receive Information Technology Key Risks update briefings from Council's Head of Technology as a standing report, with a briefing provided at the August 2024 Committee meeting. Together with this briefing, the Committee received and noted a new Information Management Policy that will address deficiencies in the governance and management of Council information and records, and also noted the policy approval and awareness plan approved by Council's Executive Leadership Team to educate staff on managing information under the policy. Future briefings will incorporate the standing reporting item for the TCP and ERP platform in the previous Point No. 1.
3. At the Committee's August 2024 meeting, Council's Head of Technology presented an information paper and the Committee received a briefing on disaster recovery activities that resulted from an outage that affected Council applications/services that are not yet migrated to the Cloud. The 'real life' situation provided an opportunity for Council's Information Technology team to 'test' Council's Disaster Recovery Plan and identify improvements, with the team also escalating the migration process to the Cloud for completion by October 2024.
4. In early 2024, the Committee adopted a reporting framework on Asset Management to implement a recommendation from the internal audit of Council's Asset Management reported to the Committee in late 2023. The Committee continues to receive as a standing reporting item a status report detailing progress on the implementation of recommendations and actions from the Asset Management internal audit and the Committee noted progress reported at the Committee's August 2024 meeting.

5.6. Fraud Prevention Systems and Controls

The Committee is kept proactively and transparently informed by the CEO on integrity and risk matters and, from time to time, this includes fraud, corruption and theft incidents or allegations. A particular matter can be communicated to Council by an integrity agency that is investigating the matter, however confidentiality limitations under statute or integrity agency procedural requirements can also apply to disclosing and then discussing the matter.

The Committee receives advice on proactive reviews and occasional self-assessments undertaken by management in relation to relevant findings contained in published reports by integrity agencies, with any actions that management decides to take implemented as opportunities for improvement that can further strengthen Council's fraud prevention controls and response processes. These actions, together with opportunities for improvement that may be recommended from internal audits, are regularly reported to, and their implementation progress is monitored by, the Committee, and this occurs in conjunction with the status of internal audit recommendations as reported in Section 5.2 of this report.

Such proactive engagement with the Committee demonstrates a commitment to good governance of the organisation and to protecting Council's interests and reputation through prevention and early detection of fraudulent activities.

5.7. Compliance Management

At the Committee's August 2024 meeting, the Committee was presented with and noted (with feedback) the implementation by Council of:

1. a Compliance Management Framework setting out Council's Compliance Management System that will guide and support Council's approach to achieving its compliance management obligations and fostering organisational consistency, resilience and continuity objectives; and
2. a Risk and Compliance Road Map outlining a program of works that will be prioritised over the two year period 2024-26 to uplift Council's risk and compliance maturity.

The Committee will receive at future meetings a status report as a standing reporting item on progress with the implementation of the two-year Road Map.

The Committee also received and considered the following compliance reports during the reporting period.

1. A quarterly CEO Procurement Delegations and CEO corporate credit card usage report for the quarter ending 30 June 2024. The Committee also supported presenting for Council's consideration a proposed interim Instrument of Delegation for the CEO to take effect from 26 October 2024 as a precautionary measure should there be a delay in declaring Council election results, with the Committee advising that, if Council approves the Instrument, it should expire upon the swearing in of the newly elected Council.
2. An information report on Council's non-compliance with Payment Card Industry Data Security Standards for certain records held by Council, and the steps to be taken through a remediation plan to ensure compliance with these standards. It was noted that the situation has been reported to the Office of the Victorian Information Commissioner and Council will continue to advise that Office on progress with remediation actions.
3. An update report of the review processes for communicating the Employee Code of Conduct that sets out the minimum standards of behaviour for Council's employees and contractors and monitoring compliance with the Code. The Committee noted that, with the completion of the review of essential people and safety policies, the Code will be updated and included as a mandatory training module for completion by all existing employees as well as the onboarding of new staff.

6. Committee Performance

The Committee is required under its Charter to assess its performance against the obligations prescribed in its Charter. At the Committee's August 2024 meeting, the Committee received the results from a self-assessment survey completed in the preceding month by Committee members and Council officers who regularly interact with the Committee.

The Committee discussed the results and will consider initiatives to further improve its performance and effectiveness that include:

1. providing more detail in the minutes of future Committee meetings;
2. conducting induction sessions for Councillors nominated as members of the Committee;
3. measures to improve time management of meetings;
4. achieving the internal audit workload for 2024;
5. including commentary on the performance assessment in this Biannual Report to Council.

Council may care to note that the Committee's annual performance survey has been the basis for the Committee's self-assessment of its satisfactory performance over the previous 12 months.

7. Conclusion

Over the reporting period, the Committee is pleased to report that it has:

1. performed the duties and discharged the responsibilities prescribed in the Committee's Charter;
2. met the requirements of the Act for Audit and Risk Committees; and
3. provided appropriate advice and guidance to Council on the matters brought before the Committee.

Prepared for and on behalf of
the Audit and Risk Committee by

Jeff Rigby
Chairperson
Audit and Risk Committee
City of Melton
12 September 2024

APPENDIX A

Moore Australia Internal Audit Reports – Matrix for Overall Process Rating by Internal Auditor

RATING	GUIDELINE DESCRIPTION
<p style="text-align: center;">POOR</p>	<ul style="list-style-type: none"> • Significant control design improvements identified to ensure that risk of issues related to integrity, probity, inaccuracy, material loss or adjustment is minimised, and functional objectives are met. Significant gaps in policy and procedures for key control areas. • An unacceptable number of controls (including a selection of both significant and minor) identified as not operating for which sufficient mitigating back-up controls could not be identified. • Large volume of inaccuracies, high impact issues and / or material losses have occurred as a result of control environment deficiencies. • Instances of non-compliances, fraud or significant contravention of corporate policy or legislative/regulatory obligations detected. • No action taken on previous significant audit findings to resolve the item on a timely basis.
<p style="text-align: center;">FAIR</p>	<ul style="list-style-type: none"> • Control design improvements identified to ensure that risk of material loss is minimised, and functional objectives are met. Some policy and procedure gaps on key control areas. • Several significant controls identified as not operating for which sufficient mitigating back-up controls could not be identified. • Losses have occurred as a result of control environment deficiencies. • Little action taken on previous significant audit findings to resolve the item on a timely basis.
<p style="text-align: center;">ADEQUATE</p>	<ul style="list-style-type: none"> • Control design improvements identified; however, the risk of loss is immaterial. Minor policy and procedure gaps only. • Isolated or "one-off" significant controls identified as not operating for which sufficient mitigating back-up controls could not be identified. • Numerous instances of minor controls not operating for which sufficient mitigating back-up controls could not be identified. • Some previous significant audit action items have not been resolved on a timely basis.
<p style="text-align: center;">STRONG</p>	<ul style="list-style-type: none"> • No control design improvements identified. Robust policy and procedure to set expectations guide and protect. • Only minor instances of controls identified as not operating which have mitigating back-up controls, or the risk of loss is immaterial. • All previous significant audit action items have been closed.

12.5 ADVISORY COMMITTEES OF COUNCIL - AGGREGATED MEETING MINUTES

Author: Bernadette Bensley - Governance Officer
Presenter: Emily Keogh - Head of Governance

PURPOSE OF REPORT

To present the aggregated minutes of Advisory Committee meetings yet to be considered by Council.

RECOMMENDATION:

That Council receive the minutes of the following Advisory Committee meetings, provided as **Appendix 1-3** to this report, and adopt the recommendations arising within the Minutes:

1. Reconciliation Advisory Committee Minutes – 20 August 2024
 2. Intercultural Advisory Committee Minutes – 28 August 2024
 3. Safer City Advisory Committee Minutes – 29 August 2024
-

REPORT

1. Executive Summary

Whilst not mentioned in the *Local Government Act 2020* (the 2020 Act), Council has the power to create Advisory Committees pursuant to its general power set out in section 10 of the 2020 Act.

The minutes of the Advisory Committees attached to this report form the written record of the committee meetings, including any matters considered and any conflicts of interest disclosed.

The minutes also serve as the advice/recommendations to Council for its consideration.

2. Background/Issues

An Advisory Committee is a committee established by Council to provide advice to it or its delegate. Whilst not mentioned in the 2020 Act, Council has the power to create Advisory Committees pursuant to its general power set out in section 10 of the 2020 Act.

All Advisory Committees are subject to their individual Terms of Reference. The membership varies depending upon the committee's specific role. Committee membership will generally comprise a Councillor(s), council staff and community representatives and may include key stakeholders, subject matter experts and/or community service providers and organisations.

Councillor representation on Advisory Committees is generally for one year and is reviewed annually. The Councillor representation on Advisory Committees for the 2023/24 municipal year was approved by Council at its Scheduled Meetings on 2 and 27 November 2023.

The minutes of the following Advisory Committees, attached to this report, form the written record of the committee meeting detailing matters considered and any conflicts of interest disclosed.

The minutes also serve as the advice/recommendations to Council.

Appendix	Advisory Committee	Meeting Date
1.	Reconciliation Advisory Committee Minutes	20 August 2024
2.	Intercultural Advisory Committee Minutes	28 August 2024
3.	Safer City Advisory Committee Minutes	29 August 2024

3. Council and Wellbeing Plan Reference and Policy Reference

The Melton City Council 2021-2025 Council and Wellbeing Plan references:

6. A high performing organisation that demonstrates civic leadership and organisational excellence

6.3 An organisation that demonstrates excellence in civic leadership and governance.

4. Financial Considerations

Advisory Committees are not responsible for operational expenditure and cannot direct Council officers to act without the consent of Council. Operational expenses and administrative actions arising from an Advisory Committee meeting are accommodated within Council's recurrent budgets, unless otherwise requested within the minutes of the meeting and detailed in a recommendation to Council for consideration.

5. Consultation/Public Submissions

Advisory Committees are one method of Council consulting and communicating with the community. Such a committee may be established to provide strategic level input into a broad area of Council operations, such as community safety or arts and culture. An Advisory Committee may also be established for a specific time-limited project, such as a review of a Local Law.

6. Risk Analysis

With a mandatory responsibility to report to Council and being restricted to making recommendations for Council consideration, risks attached to Advisory Committee actions are substantially mitigated.

It is prudent for Council to carefully consider any and all recommendations arising from Advisory Committee minutes, as Advisory Committees may canvass significant issues and significant expenditure in their deliberations.

7. Options

Advisory Committees are a Committee of Council, therefore Council has the discretion to accept, reject, amend, or seek further information on the Committee minutes and/or recommendations.

LIST OF APPENDICES

1. Reconciliation Advisory Committee Minutes dated 20 August 2024
2. Intercultural Advisory Committee Minutes dated 28 August 2024
3. Safer City Advisory Committee Minutes dated 29 August 2024



MINUTES

RECONCILIATION ADVISORY COMMITTEE

To be held on 20 August 2024 at 6.30pm – 8:30pm at Melton Library (Grant and Pykes Rooms, downstairs) and on Microsoft Teams

Members Present:

Cr Ashleigh Vandenberg (Chair)	Councillor, Melton City Council
Aunty Julieanne Axford	Member, Wurundjeri Woi-Wurrung Aboriginal Cultural Heritage Corporation
Joanne Layton	Local Aboriginal Community Member
Alex Osborne Briggs	Local Aboriginal Community Member
Amelia Wall	Local Aboriginal Community Member
John Bentley	Local Community Member
Troy Scoble	Executive representative, Melton City Council (via Teams)
Elyse Rider	Manager, Healthy Connected Communities, Melton City Council
Jodie Turner	Community Capacity Coordinator, Melton City Council

In attendance:

Roslyn Wai	CEO, Melton City Council (via Teams)
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Apologies

The Chair noted the following apologies:

Shane Evans	Aboriginal and Torres Strait Islander Community Engagement Officer, Melton City Council
Trevor Boyd King	Local Community Member
Skye Gooch	Local Aboriginal Community Member
Aunty Karen Jones	Local Aboriginal Community Member

Quorum: *Quorum will consist of one (1) Councillor, one (1) Council Officer and four (4) Aboriginal organisation or community members (of which two must be First Nations).*

Chairperson: Cr Ashleigh Vandenberg

Minutes: Elyse Rider

1. Welcome, Introductions and Cultural Safety Commitments

- Chair welcomed all Committee members.
- Chair invited a Committee Member to do the Acknowledgement of Country, this was delivered by Aunty Julieanne Axford.

2. Minute of Silence

Chair invited attendees to participate in one minute of silence.

This minute of silence at each Reconciliation Advisory Committee Meeting honours Aboriginal lives lost in massacres and through the dispossession and violence of colonisation.

3. Membership update

Chair advised that Peter Webster, Local Aboriginal Community Member has submitted his resignation from the Reconciliation Advisory Committee due to relocating interstate.

4. Declaration of interests and/or conflict of interests

Cr Vandenberg declared a conflict of interest at item 7 (f) of the agenda.

5. Confirmation of previous meeting minutes

Minutes from the 4 June 2024 meeting were circulated to the Committee on 11 June 2024 for confirmation. The minutes were received at the Meeting of Council on 22 July 2024.

6. Community Capacity Coordinator update

J Turner provided an update on the following items:

- a) Stolen Generations marker project: Council adopted a Budget allocation of \$76,000 for planning and engagement phase of this project. Business scope is finalising the proposed scope of works and the engagement requirements as suggested at the last RAC meeting. Once Business case signed off a Project manager will be appointed to the project.
- b) Darlingsford Lake renaming process: Officers have contacted the The Wurundjeri Woi-Wurrung Cultural Heritage Aboriginal Corporation language unit to seek endorsement of the Committee's preferred name. The Committee discussed ongoing engagement with Wurundjeri Woi-Wurrung local government engagement staff and the language unit.
- c) Council Advisory Committee update: The Council election period is occurring between 17 September – 26 October 2024. Following the election period, the newly appointed Councillors will undertake an induction, and Council will determine the Advisory Committees and councillor representatives for them. Officers responded to Committee questions and provided information on this upcoming process.

7. Updates from members

Chair invited all members to share relevant updates with the Committee.

- a) J Axford: The Wurundjeri Woi-Wurrung Cultural Heritage Aboriginal Corporation has moved office address. Current contact details are on the website: <https://www.wurundjeri.com.au>
- b) J Bentley: The Melton Botanic Garden is upgrading signage for the Aboriginal Ceremonial Circle. The Committee discussed uses of this space for community.
- c) J Layton: Kirrip Aboriginal Corporation is currently undergoing a Board renewal process, and recruitment for a new Executive Officer following the resignation of P Webster.
- d) A Wall: Attended the Australian Homelessness Conference 2024 as a member of the Salvation Army Homelessness Support team to share their work for First Nations community in the western region.
- e) J Turner: The Greater Metropolitan Cemeteries Trust has contacted Council officers



MINUTES

about planning for community engagement for the future Harkness Cemetery design. Upcoming information on their First Nations Community Engagement will be circulated to the Committee and community networks.

f) J Turner: Welcome Baby to Country:

Cr Vandenberg declared a conflict of interest on this item and left the meeting at 7.20pm.

Council is a member of the working group with local health service providers, led by Western Health and Traditional Owners on the Welcome Baby to Country initiative. Further information on upcoming activities will be circulated to the Committee and community networks.

Cr Vandenberg returned to the meeting at 7.25pm.

g) J Layton: The First Peoples' Assembly of Victoria update on discussions related to the declaration of Aboriginal and/or Torres Strait Islander status and identification.

8. End of Term RAC reflections

Chair thanked members for participation in the RAC meetings, and for sharing stories and knowledge with Council through this Committee.

The Committee members thanked Cr Vandenberg as the Chair for her leadership and support of the Committee.

9. Close of meeting 7.35pm



MINUTES

INTERCULTURAL ADVISORY COMMITTEE

Held on 28 August 2024 at 6.30 pm at Melton Library & Learning Hub

Members Present:

Cr Steve Abboushi	Councillor – Chair
Cr Julie Shannon	Councillor
Cr Bob Turner	Councillor
Severina Lam	Community Service Organisation representative
Aderajew (Andy) Asayhe	Local Intercultural Community representative
Syed Asad Ali	Local Intercultural Community representative
Mukhles Habash	Local Intercultural Community representative
Kriti Kapoor	Local Intercultural Community representative
Patrick Kariuki	Local Intercultural Community representative
Loudeen Lam	Local Intercultural Community representative
Dongling Ye	Local Intercultural Community representative
Kulvinder Singh	Local Intercultural Community representative
Durba Dhiman	Local Intercultural Community representative
Jodie Turner	Coordinator Community Capacity (Ex Officio)
Essan Dileri	Team Leader Diversity & Intercultural (Ex Officio)
Sylvia Dardha	Access & Support Officer (Ex Officio)

Apologies

The Chair noted the following apologies:

Cr Goran Kesic	Councillor
Kubir Khanal	Local Intercultural Community representative
Elena Raso	Community Service Organisation representative
Gary Verma	Local Intercultural Community representative
Karuna Malik	Local Intercultural Community representative
Victor Namutwe	Local Intercultural Community representative

In Attendance:

- Mario Peucker, Associate Professor and Principal Research Fellow, Victoria University
- Rowan Hatty, Team Leader City Facility Activation, Melton City Council

Quorum: *Quorum will consist of two (2) Councillors, one (1) Council Officer, plus six (6) Local Intercultural Group and Community Services Organisation representatives.*

Chairperson: Cr Steve Abboushi

Minutes: Essan Dileri

*MINUTES***1. Welcome**

- The Chair welcomed all attendees to the meeting.
- The Chair gave an Acknowledgment of Country.

2. Declaration of interests and/or conflict of interests

The Chair asked for members to declare any conflict of interests on the agenda items, none were declared.

3. Confirmation of minutes of previous meeting**Motion**

S Asad Ali and A Asayhe

That the Committee note that Council adopted the Minutes of the previous Committee meeting on 24 July 2024 at its meeting held on 26 August 2024.

4. Business Arising

Officers to collate Committee members' responses to plan future IAC meetings focussing on identified priorities. **Actioned.**

Officers to arrange for a representative from Council's Venues team to attend the next meeting of the IAC to respond to the questions of the members and share information on booking venues. **Actioned.**

Officers to circulate flyers and information of an event when received from Committee members. **Actioned.**

5. General Business**6.1 Victoria University Presentation**

- Mario Peucker joined the meeting online to present on Understanding Reporting Barriers and Support Needs for Those Experiencing Racism in Victoria.
- The project was led by Victoria University, in collaboration with the Ethnic Communities Council of Victoria, Islamic Council Victoria and funded by the VicHealth.
- Geographic scope: Victoria (metropolitan and regional), additional place-based focus through collaboration with several local councils.
- The project aims were to improve existing reporting pathways and anti-racism support services and identify and address support service gaps in Victoria.

Actions:

Officers to email a copy of Mario's presentation to the members.



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6.2 Council Venues Presentation

- Rowan Hatty presented on Council venue bookings.
 - The presentation covered different areas of Council venue booking including showing the functionality of casual online booking system and responding to IAC members' questions about the process of booking.

6.3 African Communities Working Group (ACWG) Update

- Officers provided an overview of the ACWG as a working group of the IAC and reported on the current work of the ACWG describing some of the key initiatives planned for the next two years.

6.4 Council Update on the Djerriwarrh Festival

- Officers informed the Committee about the upcoming Djerriwarrh Festival in November and encouraged Committee members to participate and refer any groups to officers who would like to perform at the Intercultural Stage.

6.6 Updates from members

- The Chair invited members to provide any updates from their respective communities.

Action:

Officers to circulate flyers and information of any event when received from Committee members.

6. Close of Meeting

- The Chair informed that Committee that the current Council term will end mid-September 2024. Following the election period in November 2024, the newly appointed Councillors will be required to undertake an induction, and Council will determine its advisory committees and Councillor representatives for them. Council will be in touch with IAC members with further information.
- The meeting closed at 8.05pm



MINUTES

SAFER CITY ADVISORY COMMITTEE

held on 29 August 2024 at 10am on Microsoft Teams

Present:

Cr Sophie Ramsey	Melton City Council
Cr Julie Shannon	Melton City Council
Stephen Hiley	Melton City Council
Jodie Turner	Melton City Council
Nicole Martin	Melton City Council
Daniel Anskaitis	Melton City Council
Joanne Mutsaerts	Victoria Police
Tanya Padgett	Djerriwarrh Community & Education Services
Mark Monahan	Edmund Rice Community Services
Benjamin Taylor	Western Health
David O'Connor	Community Representative – Watts Ward

Guests:

Elizabeth Johnston	Melton City Council
Mim Hamel-Green	WestJustice
Anoushka Jeronimus	WestJustice
Rebecca Wickes	Griffith University
Graeme Dreaver	Victoria Police
Katie Schroeter	Victoria Police

Apologies:

Cr Steven Abboushi	Melton City Council
Troy Scoble	Melton City Council
Essan Dileri	Melton City Council
Katrina Ellis	Melton City Council
Alison Heap	Department of Justice and Community Safety
Stephanie Guillen	Department of Justice and Community Safety
Zoe Stewart	Fit to Drive Foundation
Lisa Prentice-Evans	Victoria Police
Osama Usuf	Community Representative – Cambridge Ward
Tara Schofield	Community Representative – Coburn Ward

Quorum: *A quorum for the Committee will require attendance of one (1) Councillor, and at least four (4) persons from the community representatives and external stakeholder members.*

Chairperson: Councillor Sophie Ramsey

1. Welcome

The Chairperson welcomed all attendees to the meeting and proceeded with the Acknowledgment of Country.

MINUTES

2. Declaration of interests and/or conflict of interests

Nil.

3. Confirmation of minutes of previous meeting

Minutes of the Safe City Advisory Committee meeting held on 6 June 2024 were circulated to the Committee. The minutes were received by Council on 26 August 2024.

4. General Business**4.1 Member updates**

Updates included:

- The completion of the Atherstone Traffic School community art project, which engaged around 50 children and families in a graffiti prevention initiative.
- Neighbourhood Watch groups have been established in Mt Atkinson and Diggers Rest, with discussion on the benefits of these groups and potential future engagement opportunities to demonstrate support for these groups.
- The Empowering Communities Project has come to an end, with these relationships to be maintained. Details on recent and upcoming programs with youth were shared including a recent family information session and upcoming showcase on youth achievements to address misconceptions about young people.
- An update was provided on efforts to address edged weapons and antisocial behaviour, and the ongoing collaboration with Council was acknowledged.

Action: Council officers to invite a representative from the newly established Neighbourhood Watch groups to present at a future meeting and contact Neighbourhood Watch Victoria regarding the presence of non-active groups on social media.

4.2 Council support for Target Zero

A presentation was made on the Target Zero collective impact initiative which aims to address over-representation of young people of First Nations, African, Pasifika in the criminal justice system. Melton City Council has pledged its support to this initiative and discussed officer involvement and feedback was provided on the communication tools.

Action: Council officers to communicate with WestJustice regarding Council's involvement and determine most appropriate representation.

4.3 Safe Spaces Project

A presentation was given on the Safe Spaces project, funded by the State Government and delivered in partnership by various stakeholders to look at perceptions of safety among women from diverse backgrounds in the City of Melton. The engagement led to the development of toolkits which can be used to improve future community safety projects.

Action: Council officers to share a link to the toolkits and the final report with the minutes.

4.4 Community Safety Month

Officers advised that due to dates coinciding with the election period, activities for Community Safety Month would be limited in 2024 to included targeted projects such as road safety



MINUTES

workshops and child-restraining fitting sessions. External stakeholders were encouraged to participate, and efforts will be made to expand on activations in 2025.

A discussion took place on the prevalence of family violence in the City of Melton, including available data and upcoming awareness campaigns.

Action: Council officers to provide information on the status of the 'Walk with Her' initiative.

5. Next Meeting

The Council election period is occurring between 17 September – 26 October 2024, and limitations apply during this time.

Following the election period, the newly appointed Councillors will be required to undertake an induction, and Council will determine its advisory committees and Councillor representatives for them.

As a result, the meeting originally scheduled for December 2024 will not go ahead. Subject to the decision of Council, the Committee will next meet in early 2025, with the date to be advised at an appropriate time.

Speakers, staff and committee members were thanked for their contributions in 2024.

6. Close of Business

The meeting closed at 11.53am.

**13. REPORTS FROM DELEGATES APPOINTED TO OTHER BODIES
AND COUNCILLOR REPRESENTATIONS AND
ACKNOWLEDGEMENTS**

Reports on external Committees and external Representative Bodies for which Councillors have been appointed by Council.

Address from Councillors in relation to matters of civic leadership and community representation, including acknowledgement of community groups and individuals, information arising from internal Committees, advocacy on behalf of constituents and other topics of significance.

14. NOTICES OF MOTION**14.1 NOTICE OF MOTION 932 (CR ABBOUSHI) - MOUNT ATKINSON TOWN CENTRE****Councillor: Steven Abboushi**

I hereby give notice of my intention to move the following motion at the Scheduled Meeting of Council to be held on 16 September 2024.

MOTION:

That following lack of progress on the Mount Atkinson town centre, Council writes to the relevant parties to represent the concerns of the Mount Atkinson community and request an update and assurances of plans and timing to secure the delivery of a future town centre.

COUNCILLOR PREAMBLE:

Mt Atkinson is a significant and emerging growth front within the Melton Growth Corridor.

The strategic land use planning for this area continues to designate large areas of land for residential and industrial use in the corridor, including a future town centre at this location.

Council will, in its role as the Responsible Authority, continue its commitment to approval of an Urban Design Framework (UDF) and development approvals required for the delivery of the town centre at Mt Atkinson, noting that it is the responsibility of the landowner to action plans to deliver the future town centre.

OFFICER'S COMMENTS:

Council officers will action in accordance with the Notice of Motion, subject to Council decision.

14.2 NOTICE OF MOTION 933 (CR ABBOUSHI) - ALL ABILITY PARTICIPATION IN COMMUNITY SPORT**Councillor: Steven Abboushi**

I hereby give notice of my intention to move the following motion at the Scheduled Meeting of Council to be held on 16 September 2024.

MOTION:

That Council write to all State Sporting Associations including but not limited to Football Victoria, AFL Victoria, Cricket Victoria, Tennis Victoria, Rugby Victoria and all other sporting codes operating in the City of Melton outlining the importance of all ability participation in community sport and request the following:

- Details of programs that encourage participation for people living with a disability to participate in community sport.
- That where no programs are provided that specific leagues and competitions be established in their relevant sporting code to significantly increase access to those in our city with a disability and unable to participate in mainstream grassroots community level sports.

OFFICER'S COMMENTS:

Council officers will action in accordance with the Notice of Motion, subject to Council decision.

14.3 NOTICE OF MOTION 934 (CR CARLI) - PEDESTRIAN SAFETY AT HIGH-TRAFFIC CROSSINGS**Councillor: Lara Carli**

I hereby give notice of my intention to move the following motion at the Scheduled Meeting of Council to be held on Insert date

MOTION:

That Council:

1. Requests Officers to explore the feasibility of installing handrails, such as U-bar handrails, at pedestrian refuge crossings throughout the City of Melton with a view to enhance support and safety for pedestrians navigating high-traffic roads.
2. Request Officers provide a report to a briefing of Councillors outlining options and any costs associated with those options.

OFFICER'S COMMENTS:

Council officers will action in accordance with the Notice of Motion, subject to Council decision.

14.4 NOTICE OF MOTION 935 (CR MAJDLIK) - TRAFFIC LIGHTS AT LEAKES ROAD OFF-RAMP**Councillor: Kathy Majdlik**

I hereby give notice of my intention to move the following motion at the Scheduled Meeting of Council to be held on 16 September 2024.

MOTION:

That Council request officers write to the relevant Minister and relevant local members of parliament (including upper and lower house members) to request:

1. Funding for the signalisation of the Leakes Road off ramp in Rockbank at the next Victorian State Budget; and
2. A temporary traffic management solution be put in place until such time that signalisation occurs in this area to ensure road users are safe.

OFFICER'S COMMENTS:

Council officers will action in accordance with the Notice of Motion, subject to Council decision.

14.5 NOTICE OF MOTION 936 (CR MAJDLIK) - CAR PARKING AT ROCKBANK TRAIN STATION**Councillor: Kathy Majdlik**

I hereby give notice of my intention to move the following motion at the Scheduled Meeting of Council to be held on 16 September 2024.

MOTION:

That Council write to the relevant Minister and relevant local Members of Parliament (including upper and lower house members) to:

1. Reinforce the need to address the overflow of car parking at Rockbank Station as the current car park is unable to accommodate demand, and is over capacity with cars parking in adjacent land and residential areas; and
2. Introduce new bus services aligned to Council's Moving Melton transport modelling and other transport options to reduce the reliance of cars to access rail services.

COUNCILLOR PREAMBLE:

In July 2024 Council wrote to the relevant Minister regarding parking at train stations along the Melton line, requesting an urgent investigation into the provision of car parking at the Cobblebank, Rockbank and Caroline Springs train stations and for the Victorian Government to consider opportunities to increase car parking supply. The Minister for Public Transport responded on 4 September advising that while there are no current plans to further expand car parking spaces at these stations, community feedback will help inform future planning on this part of the network.

OFFICER'S COMMENTS:

Council officers will action in accordance with the Notice of Motion, subject to Council decision.

15. COUNCILLOR'S QUESTIONS WITHOUT NOTICE

16. URGENT BUSINESS

17. CONFIDENTIAL BUSINESS

Recommended Procedural Motion

That pursuant to section 66(1) and (2)(a) of the *Local Government Act 2020* the meeting be closed to the public to consider the following reports that are considered to contain **confidential information** on the grounds provided in section 3(1) of the *Local Government Act 2020* as indicated:

17.1 Technology Change Program - Horizon 1 - Delivery Partner Contract Award

(g) as it relates to private commercial information, being information provided by a business, commercial or financial undertaking that—

(i) relates to trade secrets; or

(ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

17.2 Contract No. 24-022 - Civil Construction Panel - Works Order for Mt Cottrell Road and Westwood Drive Roundabout Construction

(g) as it relates to private commercial information, being information provided by a business, commercial or financial undertaking that—

(i) relates to trade secrets; or

(ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

18. CLOSE OF BUSINESS